

South Africa's Foot Soldiers Are Forging a Peace in the Township Wars

By Bill Keller

New York Times Service

TOKOZA, South Africa — By the faint light of a half moon, four army foot soldiers advanced along streets scarred by urban combat. They passed a ghostly no-man's-land of scorched houses and entered a lane of matchbox bungalows. Suddenly, they came upon their first battle of the night. They tensed and moved in.

"O.K., stop that, stop that!" Private John Liphoto yelled in Zulu to a tall man in white overalls who was beating his girlfriend in the middle of the muddy street. The soldiers coaxed the drunken couple apart, as neighbors converged from their tiny yards, noisily joining in.

Three weeks ago, this neighborhood, at the epicenter of South Africa's township political wars, could be counted on for a nightly harvest of bullet-riddled and burned corpses. Now the only conflict the foot patrols encounter on a typical night, aside from an occasional potshot, is domestic.

It is too early to say that normality has returned to Tokoza and the adjoining township of Kaitshong, the black settlements east of Johannesburg that have borne the brunt of the rivalry between the African National Congress and the Inkatha Freedom Party.

But since the army poured in hundreds of soldiers, most of them black, on foot patrol, replacing the high-riding armored vans of the mainly white riot police, the townships have become the most heartening news in South Africa.

The death toll has fallen from eight or 10 each night to one. A tacit curfew has been lifted. Children are returning to schools. Refugees have begun reclaiming their abandoned houses. Traffic is flowing on roads that had been barricaded and bedeviled by snipers.

The pacification of Tokoza and Kaitshong, if it holds, will be a triumph for the South African Defense Force, long regarded as an instrument of apartheid, and for the African National

Congress, which risked the wrath of its most militant followers to bestow its blessing on the army.

Peace in these townships has raised hopes that South Africa can contain its destructive impulses sufficiently to hold a credible election in April, and even to deliver on promises of law and order thereafter.

The anti-riot forces of the South African Police, known as Internal Stability Units, have been the main instrument of order in troubled townships. But they are reviled by blacks as brutal oppressors.

That leaves the army. Its regular forces number 70,000, two-thirds of them black, although the officer corps is overwhelmingly white.

Like the police, the army comes tainted by its enforcement of apartheid, but its leaders have been quicker to adapt to the changes.

When the riot police were withdrawn at the beginning of February, the army deployed 1,800 men here. At any given time, about 400

men are on the streets, most of them on foot. They are backed up by roadblocks, sentries perched high on water towers with night-vision goggles, and helicopter patrols.

"It's visible policing that has made all the difference," said Meyer Kretz, who watches the townships east of Johannesburg for the National Peace Secretariat, a multiparty organization set up to combat violence.

Leaders of Inkatha, which predominates in the mainly Zulu neighborhoods huddled along the side of several migrant workers' hostels, have asserted that the troops are biased against them.

The four men in olive drab uniforms who worked this night in the shadowy side streets of Tokoza got a noticeably cooler reception in the Inkatha area.

During a two-hour patrol in the streets around Angola Hostel, a migrant workers' compound dominated by Inkatha, they twice heard gunshots, once close enough to make them scramble for cover.

"Every night they shoot at us," said Private David Ramapane, 21, shrugging nervously.

"The Zulus don't like us."

As they crossed into an ANC block, the soldiers relaxed, and the private said, "Here, we don't get problems."

The soldiers say, and residents confirm, that there has not been a single partisan battle in the area since they took up patrols. Hours after nightfall, people were still out visiting neighbors.

Compared to the riot police, who roared through the town in tank-like riot vans, dismounting only to conduct searches at gunpoint, the soldiers are a light presence.

They are not easygoing constables. They work in groups of four or six, spaced on both sides of the street, clutching assault rifles. But they will digress from their rounds to chat, or to escort a frightened woman home.

"You talk to citizens, you learn the area," said Lieutenant Johann Botha, an intelligence officer for the army group stationed here. "If

you drive in a military vehicle, it's got a threatening look to it. When the people on the ground can see your faces, whether you're smiling or not, then they start trusting you."

"As soon as we stabilize the area," Lieutenant Botha said, "we'll send in the engineering corps to fix roads and get rid of the rubble, fix sewers and water. So when the peacekeeping force moves into the area it's stable and the infrastructure is livable."

The army is scheduled to make way for a joint peacekeeping force by April, but privately both the army and the ANC concede this may be a longer assignment.

Residents say that the townships' troubles have been suppressed, not resolved.

Vigilant self-defense units still operate in the townships, although they keep a lower profile now. Inkatha partisans are still assumed to have arms caches in the hostels. The military admits there is little hope of disarming the warring sides anytime soon.

Kohl Party Urged To Renew Values

Reuters

HAMBURG — Chancellor Helmut Kohl's campaign manager said Tuesday that Germany needed a "conservative renewal" to bring back family values and a sense of civic duty during a marathon election year.

Peter Hintze said at a congress of Mr. Kohl's Christian Democratic Union that Bonn's center-right coalition faced an uphill struggle in 19 elections this year, culminating in a federal poll on Oct. 16.

But Mr. Hintze, the Christian Democratic Union's secretary-general, told delegates that Mr. Kohl's policies were slowly winning back support after a deep slump in popularity in opinion polls.

Mr. Hintze echoed Mr. Kohl's call this week for new thinking, saying, "We stand for a conservative renewal of our society."

Mr. Kohl had called on dele-

gates to rally "against the prevailing wind."

Such ideals as duty, family, hard work and civic pride had been neglected and lampooned in Germany for years, Mr. Hintze said.

"Today, we all know how important these virtues are," he said.

"For us, they are the bases of a free and responsible society."

The opposition Social Democrats, whose campaign focuses squarely on creating more jobs and bringing new blood to Bonn, accused the Christian Democrats of trying to divert attention from problems that arose during its nearly 12 years in power.

"It is a bit strange to see the secretary-general of the largest ruling party calling for 'change in Germany' after 12 years of the center-right government," declared Dagmar Wiedbusch, a Social Democratic spokeswoman.



Looking on at the congress of the Christian Democratic Union in Hamburg on Tuesday were, from left, the party's secretary-general, Peter Hintze, the CDU parliamentary leader, Wolfgang Schäuble, Chancellor Helmut Kohl, and the minister of labor, Norbert Blum.

Pope Condemns Marriage of Homosexuals as Threat to Family

By Alan Cowell

New York Times Service

ROME — Fueling a heightened debate in the United States and Europe over homosexual matrimony, Pope John Paul II chastised such unions Tuesday as "a serious threat to the future of the family and society" and said they could not be "recognized and ratified as a marriage in society."

The Pope's comments occurred in a 100-page letter on family values that not only restated the Vatican's familiar views on contraception, divorce and abortion but also seemed designed to erect a moral bulwark to prevent Catholics from supporting the notion of homosexual or lesbian marriage.

The document was issued two weeks after the European Parliament in Strasbourg offered support for the idea of homosexuals' marrying and adopting children. In its wider context, though, the letter seemed certain to illuminate anew the gulf between

Vatican doctrine and those who consider it irrelevant to modern social realities.

The letter conflicted directly with the practice of several cities in Italy that permit the public celebration of gay and lesbian marriage by local officials. A group of legislators has proposed the enactment of a national law legalizing such weddings, even though opinion surveys show a majority of Italians opposed to the idea.

The question of homosexuals adopting children is yet more controversial in Italy, according to opinion surveys showing few Italians in favor of the idea.

The Pope's letter — addressed directly to Catholics rather than to bishops or priests — was drafted long before the most recent European Parliament decision and was timed to coincide with the UN Year of the Family.

Since the European Parliament voted Feb. 8, however, the Pope has taken issue strongly with the nonbinding resolution, telling worshippers in Rome

on Sunday that the assembly was wrong in "inappropriately conferring an institutional value on deviant behavior."

The Pope said: "Marriage, which undergirds the institution of the family, is constituted by the covenant whereby a man and a woman establish between themselves a partnership for their whole life."

"Only such a union can be recognized and ratified as a marriage in society. Other interpersonal unions which do not fulfill the above conditions cannot be recognized, despite certain growing trends which represent a serious threat to the future of the family and society itself."

"Human beings are not the same as the images proposed in advertising and shown by the modern mass media," his letter said.

The Pope's recent utterances have aroused criticism from homosexual and other groups, with Italian environmentalists saying they perpetuate "odious discrimination against homosexuals." Claudia

Roth, a German, who sponsored the European resolution, called the Pope's views "totally reactionary."

■ Britain Lowers Gay Age

LONDON — Parliament voted Monday night to lower to 18 from 21 the age of consent for sex between men. The vote came after a debate over whether this would create equality before the law or encourage sexual exploitation of young men.

The decision represented a compromise between a drive led by homosexuals to reduce the age of consent for homosexual men to 16 — the same as it is for heterosexuals and lesbians — and resistance by some Conservatives to any change at all.

The vote will bring British law closer into line with the rest of Europe, where the age at which homosexuals can have sex legally ranges from 12 in Spain to 18 in Germany and some other countries. Britain was the last West European country to have a consent age of 21.

Catholic-Imposed Moral Conduct Leaves Italians Bickering

By John Tagliabue

New York Times Service

ROME — For Dr. Anna Maria Rizzi, the choice was clear if difficult. Like other doctors across Italy, she had to decide which birth-control method to prescribe for a patient, 28.

Dr. Rizzi refused to prescribe birth-control pills because, as a Roman Catholic, she prefers "natural means."

After the patient called Corriere Della Sera and the national daily put the story on its front page, papers throughout the country did likewise, expressing outrage that religious considerations motivated the doctor's decision.

This recent case has divided physicians, patients, health administrators, church figures and politicians.

The furor probably would have subsided had not the Vatican newspaper, L'Osservatore Romano, published an article earlier this month by a theologian, the Reverend Gino Concetti, arguing that

health professionals such as Dr. Rizzi enjoyed a "right of conscientious objection" to products or procedures they deemed immoral.

Father Concetti did not specify the products, but every Italian knew what he was talking about.

Last month Pope John Paul II, addressing a delegation of Italian pharmacists, cited a 1974 appeal by Pope Paul VI for pharmacists to refrain from selling "products that demean man and his dignity."

But Pope John Paul also cited the moral responsibility of pharmacists in treating "certain forms of illness that are spreading with impressive rapidity, and are at times the result of a mistaken idea of freedom and human dignity."

Franco Caprio, president of the Pharmacists Guild in the Lazio region around Rome, said pharmacists "cannot close our eyes" to birth control and the prevention of disease. "Isn't it better to take the pill than to have an abortion," he asked, "and to use a condom rather than get an infection?"

Giacomo Leopardi, president of the Federation of

Italian Pharmacists Guilds, agreed that pharmacists faced with the prevalence of these diseases had to choose "the lesser evil, and that's the condom."

Ten years ago the Vatican and Italy signed a revised Concordat that ended Catholicism's status as the state religion. But the two sides continue to wrestle with their relationship.

As Italy prepares for elections, the focus of the dispute has become an extension of "conscientious objection" beyond military service to areas like health care.

When Italy legalized abortion in 1978, the law guaranteed doctors that they could refuse to perform abortions on grounds of conscience. Elsewhere in health care, the line is less clearly drawn.

"The law speaks clearly, making objection available only for abortion," said Dr. Danilo Poggolini, president of the National Federation of Physicians Guilds. "But given that we are not able to take into account physicians' moral and religious convictions, we shall open a debate on the issue."

"I think there is an intrusion of the church into the domain of the state," said Dr. Fernando Aiani, a top immunologist and a leader in the fight against AIDS.

A program to add 6,000 hospital beds for AIDS patients has been halted, he said, and information about AIDS has virtually disappeared from television and the schools as the disease continues to spread. Last year, the Health Ministry said, 4,729 AIDS cases were reported, bringing the number to 21,463, placing Italy second only to France among European nations.

While the sale of condoms poses less of a challenge, health care officials must figure out how to deal with refusal to dispense other contraceptives.

"You can sell condoms or not," said Piero Uroda, president of the Association of Catholic Pharmacists. "They are not drugs and everyone can make up his own mind. But the pill is prescribed for menopause, to regulate the menstrual cycle, even for acne. Don't tell me we're supposed to question our customers."

Delors Tells Greece: Lift Macedonia Embargo

Reuters

BRUSSELS — The president of the European Commission, Jacques Delors, wrote to Prime Minister Andreas Papandreu of Greece on Tuesday demanding that Athens take urgent steps to end its trade embargo against the former Yugoslav republic of Macedonia.

In a move that intensified the diplomatic pressure on the Greek government, the commission said Mr. Delors had expressed to Mr. Papandreu his concerns about the legality of Greece's actions.

In Athens, meanwhile, the government rejected calls from its European Union partners to lift the embargo.

"It is inconceivable that Greece would sacrifice basic principles of its foreign policy for public relations," a government spokesman, Evangelos Venizelos, said.

EU foreign ministers had criticized Greece for its imposition of the embargo against Macedonia, with which it is locked in a diplomatic dispute.

They warned Greece, which is

the current holder of the rotating EU presidency, that it would be brought before the European Court of Justice unless it could justify its decision.

"We have asked Greece to present its legal justification of the embargo," Foreign Minister Jacques Poos of Luxembourg said. "If it is not acceptable it will trigger action in the Luxembourg Court of Justice."

His comments reflected the general condemnation of Greece by EU members.

Algeria Frees Two Militants

Agence France-Press

ALGIERS — Two leaders of the banned Islamic Salvation Front have been freed from prison, according to the public prosecutor in Blida, just south of here.

The official press agency APS said Tuesday that the two men were Ali Djeddi, in charge of the fundamentalist movement's political relations, and Abdelkader Boukhankham, a member of its supreme council. Each had been sentenced to four years.

Mr. Venizelos responded in Athens by saying, "Greece is ready to back its position at all levels and in all international institutions. But the issue is not legal. It is political."

Mr. Papandreu said last week that Greece would stop the neighboring Balkan republic from using the port of Salonika, its main trade route, except for supplies of humanitarian food and medicine.

Correction

A Reuters dispatch in Monday's edition stated incorrectly the number of fatalities caused by a cyclone in Myanmar. Two people were killed.

TRAVEL UPDATE

High Court Sides With the Bumped

WASHINGTON (Reuters) — The Supreme Court reaffirmed Tuesday that an airline passenger bumped from an overbooked flight can sue for damages under state law.

The high court decided, without any comment, an appeal by Northwest Airlines Inc. arguing that a 1978 federal airline deregulation law prevents the 50,000 passengers who are bumped from flights each year from suing under differing state laws.

The case involved William West, a Montana lawyer who was bumped in 1986 from a Northwest Airlines flight from Great Falls, Montana, to Arlington, Virginia. He had purchased a nonrefundable and nonexchangeable ticket. He was offered \$198 in "denied boarding compensation" or the choice of taking another flight scheduled to arrive in the Washington area six hours later than the original flight. He rejected the offer and sued for \$10,000 in actual damages and \$30,000 in punitive damages. The Supreme Court ruling cleared the way for a trial.

Crowds packed Florence's Uffizi art gallery on Tuesday for the reopening of the Michelangelo Room, damaged in May by a car bomb that killed five people. (Reuters)

The Swiss company Asa Brown Beyer will start work on a rail system for Izmir, a port in western Turkey, following the conclusion of financing arrangements, the company said Tuesday in Zurich. (Knight-Ridder)

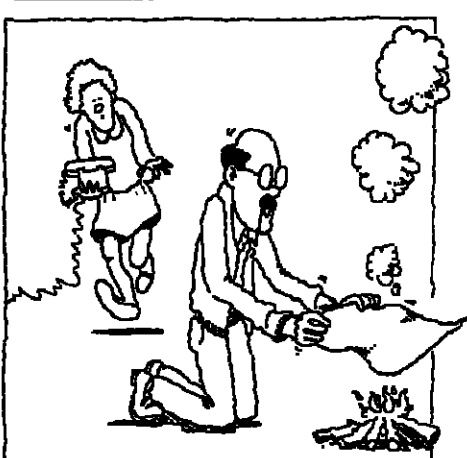
About 45,000 pesticide packets from a French ship are still adrift in the North Sea and heading for the Danish and German coasts, the Dutch authorities said Tuesday. (AP)

Authorities in the Brazilian coastal city of Fortaleza, a holiday resort popular with foreign tourists, declared a state of emergency Tuesday to tackle an outbreak of cholera and acute diarrhea that has killed eight persons and affected 9,000 in the last two months. (Reuters)

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THE AMERICAS / VOICES IN THE HEARTLAND

★ POLITICAL NOTES ★

Clinton Promotes 'Lifelong Learning'

WASHINGTON — Wielding charts to show how education can fight unemployment and boost earnings, President Bill Clinton pushed "lifelong learning" on Tuesday as a way to strengthen the U.S. economy and fortify society.

"If we really want America to grow jobs and increase earnings, we will have to dramatically improve the levels of education of the American people," Mr. Clinton told college presidents and administrators. "We have to start with the preschoolers, but we can't stop with the adults."

Mr. Clinton, in a speech to the American Council on Education, offered support for the Goals 2000 legislation moving through Congress and said, "Education goes a long way toward solving the problem of jobs and income."

"Any hope we have to hook the American economy to the 21st century," he said, "depends on making sure the educational system is responsive to 'the demands of the times.'"

He told the university officials, "It is clear that the future of our economy, and therefore the fabric of our society, is in no small measure in your hands."

The president's seven-point education agenda includes: helping children begin school healthy; higher standards for public education; making college more accessible; helping young people earn money for college by performing community service; school-to-work programs; re-employment programs; and getting society more involved in learning initiatives. (AP)

Labor to Drop Record Sum on Health Plan

BAL HARBOUR, Florida — Organized labor has announced that it will spend at least \$10 million, the most ever on a single cause, to promote President Clinton's overhaul of the health care system and beat back alternatives in Congress and attempts to compromise away its basic features.

The only other issue to generate spending approaching that magnitude was the unions' unsuccessful campaign to stop the president's enactment of the North American Free Trade Agreement last fall. That long-open wound in labor's hide has suddenly healed as the two sides turn to an issue on which they agree.

The federation president, Lane Kirkland, equated the drive on universal health care to the one that led to enactment of the Social Security Act in the days of the New Deal. "We intend to campaign as hard as we can for as long as it takes," Mr. Kirkland said.

Asked how much the unions would spend to sell the president's plan, Gerald Shea, head of the American Federation of Labor-Congress of Industrial Organizations' health care team, said, "It's well over \$10 million, and it could be double that." (NYT)

Quote/Unquote

Catherine Moore, spokeswoman for the Democratic National Committee, which raised a record amount for a nonpresidential year, \$312.2 million last year, but has spent most of it: "We're not meant to sit here on top of piles of money. We had the responsibility of supporting the White House. It's a burden we're happy to bear." (WFP)

Main Rural Worry About Health Care Is Getting Some

By Adam Clymer
New York Times Service

PARKSTON, South Dakota — The big problems of health care sound very different in small farming towns than they do in Washington. The issues that congressional subcommittees will begin voting on in a few days are remote, often irrelevant and frequently unknown in the rural Midwest.

Several days of conversations here made it clear that the big problem is less how to pay for health care than to make sure that there is health care to pay for.

Few people concentrate on worries about bureaucracy and health insurance purchasing alliances, though they have their doubts. Instead, they talk about recruiting doctors and using other medical workers more efficiently.

Gale Walker, the administrator of the 30-bed St. Benedict's Hospital in Parkston, said: "Here it's not 'Do I have a choice?' It is 'What do I do to find a doctor or a nurse practitioner?'"

Or, said Linda Guthmiller, the assistant administrator and laboratory chief at the 25-bed Landman-Jungman Hospital in Scotland, South Dakota, 25 miles (40 kilometers) to the southeast, "Doctors have to start dropping their egos, and they have to let the nurses and the physicians' assistants do more."

The health care issue arrived in South Dakota on Friday with a visit by Hillary Rodham Clinton to Lennox, a preemptive Republican attack that morning in Sioux Falls by Senator Phil Gramm of Texas and a sudden surge in news coverage of the subject.

It was clear from comments by people who heard Mrs. Clinton, conversations with people in Parkston and in Scotland, and in a discussion with nine South Dakotans assembled to talk about the subject, that one crucial issue seems to have a consensus behind it: the idea that the United States ought to see to it that everyone has health insurance.

After the group discussion, Kate Helgas, executive director of the South Dakota Nurses Association, said, "I think until we have universal coverage, the rest of the pie will not fit."

She continued: "We should be able to afford some

basic health coverage for everyone. I believe that it is a right and we have to be able to afford it."

Lots of people do have a vague idea of how the president's plan might affect them, at least in some meaningful particular. Roy D. Nyberg, who runs the Ace Hardware Store in Sioux Falls, thinks he could not afford to increase his health insurance payments for workers to the level the plan demands, although he thinks the nation needs universal coverage.

Cocelia Humphrey, 85, a resident of a Sioux Falls nursing home, told Mrs. Clinton: "One thing I'm pleased about is we get to keep our doctor. I couldn't live without mine."

But as to the alternative plans from Republicans and other Democrats, hardly anyone knows what is in them. Dr. Phillip Barker, a family practitioner at St. Benedict's, dismisses them because "most of them fail to provide universal coverage."

If there is one shared concern among South Dakotans, it is a profound fear that Republicans like Mr. Gramm have capitalized on: that Washington uses a "one size fits all" approach, as the Clinton plan's severest critic puts it.

That same concern came through from the nine South Dakotans.

Evelyn Peterson, a retired nursing educator who likes the Clinton plan's emphasis on preventive care, still worries that "every model that we've been given for rural health care has been developed in an urban area, so it doesn't fit."

Vince Crawford, the director of the Veterans Administration Hospital in Sioux Falls, said, "One-size-fits-all is nuts."

He said if there was one message he could send to Washington, it would be "there needs to be a great deal of flexibility so that South Dakota and New York City can each solve their own problems."

One principle of the Clinton plan does seem irrelevant here. A basic hope of the administration is that the philosophy behind its proposals, known as managed competition, will lower costs. It requires groups of doctors and hospitals to compete for patients' business. But South Dakota has only three cities of more than 25,000 people and only in Sioux Falls is there a big enough medical center for competition to be imaginable.

Retroactive Taxes: Is a Limit at Hand?

By David G. Savage
Los Angeles Times Service

WASHINGTON — The Supreme Court appears poised to reverse nearly 60 years of giving Congress and the states virtually unchecked power to impose taxes retroactively.

Later this month, the high court will consider the case of a Southern California tax attorney who lost \$630,000 for a client in 1987 because Congress retroactively repealed an estate-tax deduction it had created in 1986.

Some tax experts are predicting the court will use the case to say that Congress has gone too far. Richard Samp, chief counsel of the Washington Legal Foundation, is representing 22 Republican U.S. senators who want the court to restrict retroactive taxing.

"This will mean for the first time there is some constitutional limit on what Congress can do," he said.

But the millions of Americans who must pay higher taxes this spring because of retroactive tax provisions should not take heart. Tax experts and constitutional lawyers are nearly unanimous in predicting that the court will not tamper with that sort of retroactive provision.

Congress historically has made changes in tax rates retroactive to the first of the year, because the Internal Revenue Service cannot easily calculate income taxes if the rates shift in midyear.

The constitution clearly bars ex post facto laws. But since 1798 the high court has interpreted that provision to limit only criminal laws.



MEXICO ACCUSED OF RIGHTS ABUSES — A refugee from the uprising in Mexico's Chiapas state waiting to be fed in Altamirano. As peace talks went into a second day Tuesday, a preliminary report of the International Commission of Jurists accused government forces of serious human rights violations, including summary executions and arbitrary detention of civilians.

Clinton Aide Shakes Up White House for Midterm Elections

By Richard L. Berke
New York Times Service

WASHINGTON — As White House officials worry about the potential for significant Democratic defeats in this year's midterm elections, President Bill Clinton has given one of his closest advisers the job of bringing focus to the troubled political operations at the White House and the Democratic National Committee.

The aide, Harold M. Ickes, has begun holding weekly meetings with presidential aides and Democratic officials to coordinate a strategy for minimizing losses in November.

"While officials acknowledge that the party that wins the White House habitually pays at the polls two years later, their goal is to protect the already narrow margin of safety in the Senate, where the Democrats now dominate, 56-44, and in the House, where nearly 40 members have announced retirements."

On several issues, including the North American Free Trade Agreement and the budget, the administration won victories last year with bare majorities.

Adding to the nervousness, and prompting the White House to dictate changes at the Democratic National Committee, is the Republicans' string of victories in all six major elections since the election of Mr. Clinton.

Mr. Ickes, a New York lawyer who was named deputy White House chief of staff late last year, already is coordinating efforts to pass the president's health care legislation and is charged with controlling political damage over the inquiry into the involvement of the president and Hillary Rodham Clinton with Whitewater Development Co.

Officials view the rapid rise of Mr. Ickes as important because he is a veteran operative who ran the successful Democratic National Convention in New York in 1992 and carries weight with the Clintons.

In a recent interview, Mr. Ickes said: "What we want to do is nail down and focus our strategy for the '94 elections. We're also starting to take a hard look at where the White House resources should be put — the president's time and what states and districts should be emphasized."

Mr. Ickes is developing a political agenda in which the emphasis for Mr. Clinton will be on traveling to promote his plan to overhaul the nation's health and welfare systems, as well as other programs.

While he will do some campaigning for Democratic candidates, most of those activities will be left to Vice President Al Gore, Mrs. Clinton and, to a lesser extent, cabinet members.

"California will continue to be our favorite stop,"

said Joan N. Baggett, the White House political director. "I think you'll see the president a great deal in the Midwest — Illinois, Michigan and Ohio — as well as some of the Northeast, New York and Pennsylvania."

Mr. Ickes played down the difficulties. But Democrats outside the White House have been more blunt in describing confusion in the party and the White House, and the struggle to turn a structure that succeeded in the presidential campaign into one that melds campaigning and governing.

"If they're trying to push health care reform instead of building voter files, they're down the wrong road in my opinion," said Brian Lande, a former executive director of the Democratic Party.

The White House operation has been regularly faulted by Democrats in Congress and elsewhere as rudderless and ineffective. Many critics say the problem is not lack of talent, but a diffusion of authority.

Mark A. Siegel, an aide to President Jimmy Carter, said: "The political talent of this White House is clearly at a higher level than what we saw in the previous Democratic White House, but the political decision-making process seems to be less structured."

He added, "Clearly, Hamilton Jordan was in charge of politics at the Carter White House. He frequently made the wrong calls, but he was always making the calls. Here, there is not one central focus to the process."

Last year, the Democratic National Committee devoted itself, and millions of dollars, to fighting for Mr. Clinton's programs rather than promoting the prospects of individual Democrats, leaving the party chairman, David C. Wilhelm, open to criticism from Capitol Hill.

Mr. Wilhelm, who was Mr. Clinton's campaign manager in 1992, said in defense of the strategy: "Our focus in 1993 was the president's legislative agenda. And I think that's where it should have been because the president's success and the Democratic Party's successes are inextricably linked."

But to underscore his intention to shift emphasis this year, he has pledged to allocate \$2 million to help House candidates, and \$7 million for senatorial and gubernatorial candidates.

In the last month or two, Mr. Wilhelm also has replaced almost all top aides at the Democratic National Committee, and installed more people with campaign experience and links to the White House.

He has hired Debra DeLee, the top lobbyist at the National Education Association, as chief of staff, with wide authority to handle coordination.

"We know it's going to be tough," Mr. Wilhelm said. "We know the historical trends. The history of midterm elections is challenging, to say the least."

Oliver North's Faceless Opponent Suddenly Poses a Threat

By Kent Jenkins Jr.
Washington Post Service

WASHINGTON — Forget the Founding Fathers. In the battle for Virginia's Republican nomination to the Senate, James C. Miller 3d is drawing his inspiration from a contemporary thinker, the comedian Rodney Dangerfield.

"I get no respect," Mr. Miller wailed — using the comedian's refrain — to a roomful of laughing Republicans meeting in Norfolk last weekend. He recounted the insults, such as a columnist's description that he has "about as much charisma as a slide rule" and his own staff's decision to take his picture off campaign brochures.

"What you see before you," Mr. Miller said, waving the photoless flyer, "is not just another pretty face."

When you're in second place, you learn the art of self-deprecation, and Mr. Miller has had lots of practice the last few months.

Against his famous competitor, Oliver North, he has been overshadowed, vastly outspent and all but written off by most in his party.

But in recent days, the former Reagan administration budget director has taken the offensive against Mr. North for the first time.

Last week, he was endorsed by a group of retired senior military officers who criticized Mr. North's role in the Reagan administration's arms-for-hostages scandal.

Many Republicans say Mr. Miller shows increasing strength among those who will choose the Senate nominee at a state party convention in June.

At a weekend meeting of about 300 Republican activists, Mr. Miller conceded that he continues to trail Mr. North but contended that his campaign is making up ground.

"We've got the momentum. We've got our people out there cranking," Mr. Miller said. "A few weeks ago, the North people were saying that the convention was just a formality. Now they're worried enough to engage us. The movement is in our direction."

Several senior Republicans agreed with the assessment of Mr. Miller. J. Sabato, a political scientist at the University of Virginia, who said that Mr. Miller had elevated himself "from the longest of long shots to a credible underdog."

The winner will gain a chance at the seat to which Charles S. Robb, a Democrat, hopes to be re-elected. Republican leaders said Mr.

Miller's apparent progress reflects a combination of factors, including a skilled grass-roots campaign and the party's concern that Mr. North's Iran-contra history will frighten away voters in November.

The first significant test of both candidates' organizations will be in the coming weekend, when they begin registering delegates for the state convention.

Officials with the North campaign contend that they remain far ahead and are not troubled by recent events. After the military retirees endorsed Mr. Miller last week, North aides made public records showing that Mr. Miller received a student draft deferment during the mid-1960s and accused him of avoiding service in the Vietnam War. They say their counteroffensive blunted any potential Miller movement.

"We won't get everybody," said Mark Merritt, a spokesman for Mr. North, "but we continue to pile up delegates. They've got the insiders, but we've got the people."

The first group to rally around Mr. Miller consisted of Reagan alumni. A long list of senior Reagan aides — including Edwin Meese 3d, George P. Shultz, Caspar W. Weinberger and Frank C.

Carlucci, all former cabinet members — have endorsed their old colleague, saying he is better qualified than Mr. North to keep Ronald Reagan's torch alight.

Devotion to Mr. Reagan remains strong among the Virginia Republican faithful, and Republican ac-

tivists say those endorsements have helped Mr. Miller.

Using the abortion issue, Mr. Miller has picked up support by positioning himself to the right of Mr. North.

Mr. Miller believes abortion should be allowed only in cases of

danger to the life of the mother; Mr. North would allow abortion also in cases of rape and incest.

Both first-time candidates are staunch conservatives who disagree on few issues and vehemently oppose gun control, the Clinton health care plan and tax increases.

Away From Politics

• The Federal Communications Commission has voted to reduce rates for many cable television services by 7 percent. The new rates should be in effect by mid-May. The agency only cut rates for the service it regulates, sometimes referred to as "expanded basic." It includes channels as ESPN, C-SPAN and CNN.

• Martin Marietta Corp. has agreed to pay a \$1 million settlement in connection with a federal probe of suspected fraudulent business practices at NASA's Johnson Space Center, a Houston TV station reported.

• Lieutenant Shannon Workman has become the first woman to qualify to fly combat aircraft off navy warships. Lieutenant Workman, 26, New her final qualifying

flight this past weekend from the carrier Dwight D. Eisenhower, based in Norfolk, Virginia.

• Concentrations of chlorofluorocarbons are still increasing in the atmosphere since industrial nations agreed to phase out manufacture of the ozone-depleting chemical, researchers said at a symposium in San Francisco. But the rate of that increase has been cut in half. The CFCs increased at the rate of 4 percent annually through the

1980s, but the rate has now slowed to about 2 percent.

• A man and his 2-year-old son were both shot in the head by a man who got out of the car in front of them at a stop sign in Pomona, California, walked up and "just opened fire," the police said. Investigators say they believe the shooting was an act of gang retaliation. Frank Cota, 35, and his son, Matthew Frank Cota, were in critical condition. AP, Reuters, LAT

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Hong Kong Chief Steps Up Pressure

Electoral Plans Nearing Vote

By Kevin Murphy
International Herald Tribune

HONG KONG — Confident that legislators will pass his less-controversial proposals for democratic change, Chris Patten, the Hong Kong governor, will formally announce a second bill on Friday containing the measures that have most deeply angered China.

The British colony's legislature will vote Wednesday on the less-controversial reform bill, which also is opposed by China. Government radio reported Tuesday that the colony's highest advisory body, the Executive Council, had approved Mr. Patten's decision to force lawmakers to begin considering the second bill.

That bill contains steps that will significantly broaden the voting base for future elections, and which China finds even more unacceptable than the first bill.

Legislative activity — and with Britain widely expected to make public on Thursday its version of fruitless negotiations with Beijing — promises to bring to a climax a bitter dispute that has dragged on for 16 months.

"What we will be debating Wednesday is chicken feed in terms of real democracy," said Christine Loh, an independent member of the Legislative Council. "But it is a historic moment for Hong Kong."

China first ignored, then attacked electoral proposals first made by Mr. Patten in October 1992 that it says contravene earlier agreements with Britain over the transfer of sovereignty and Hong Kong's future political system.

Asserting that Britain is seeking to continue its influence in the colony after 1997, Beijing has threatened to disband the Legislative Council and any other changes with which it does not agree.

In 17 rounds of negotiations, Britain and China had come close to agreement on lowering Hong Kong's voting age to 18, abolishing appointive membership to local municipal government bodies and instituting a one-seat, one-vote format for the seats in the 60-seat Legislative Council that will be chosen by direct election. These provisions are in the first bill.

The two sides remained far apart on the size of nine new functional constituencies, electorates organized along professional and trade group lines that cover most workers, and the composition of an electoral committee that will select 10 legislators in 1995 elections, the last under British rule. These are in the second bill.

Mr. Patten's decision to legislate on the so-called simple points, a bid to hasten disposal of more controversial proposals, prompted a collapse in the talks.

■ **Exodus to Canada Fading**

The exodus of Hong Kong people to Canada has peaked and is



NOT SO GREAT WALL OF CHINA — A worker climbing onto a fence Tuesday built by the Zhuhai provincial authorities along China's border with the Portuguese territory of Macao. The fence is supposed to discourage illegal emigration of hundreds of unemployed Chinese into the foreign enclave.

now set to decline as indicated by a reduction in the rate of new visa applications, Reuters reported Tuesday from Hong Kong.

The rate of Hong Kong applications for Canadian visas fell 10 percent last year, a drop Canadian officials attributed to concerns about Canada's high unemployment, which stands at 11 percent.

UN Agency Sees No Progress On North Korea Inspections

Compiled by Our Staff From Dispatches

VIENNA — The United Nations nuclear safeguards agency said Tuesday that it had no indication from North Korea that visas were on their way for its inspectors to visit suspect nuclear sites there.

"There's no confirmation of that," said a spokesman for the International Atomic Energy Agency, following a statement to that effect by Secretary of State Warren M. Christopher.

Earlier in Washington, Mr. Christopher said that "the inspectors either have or will soon have their visas to go to North Korea."

"There seems to be a resolution of the immediate problem, that is the inspection of the seven sites will commence," Mr. Christopher added.

"I don't have any reason to believe the North Koreans will not go ahead with the commitment they made."

But the inspection agency spokesman, David Kyd, said, "There is no such indication here in Vienna by any side."

He added it was "unlikely that anything will have moved by the time the board discusses the issue tomorrow, although of course we cannot exclude it."

American and North Korean officials were to meet in New York late Tuesday to discuss the situation, the State Department said. The department spokesman, Mike McCurry, said Tuesday: "There's a meeting at the usual level in New York today between the United States and North Korea. The purpose is to help ensure that North Korea schedules these inspections at the earliest possible date."

The 35-member board of governors of the UN agency, meeting at its Vienna headquarters, is considering how to approach the issue after an apparent bid by Pyongyang to use the proposed inspections to extract diplomatic concessions from Washington.

The United States and South Korea are trying to get North Korea to open its nuclear sites to inspection

through a combination of carrot-and-stick measures, holding out the prospect of better relations or economic sanctions.

By offering diplomatic ties and economic help to the isolated and impoverished country, they hope to persuade Pyongyang to abandon any ambitions it may harbor to become a nuclear power.

After months of wrangling and attempts to limit the scope of the agency's inspections, North Korea said last week it would open seven declared nuclear sites to inspection. But it has so far failed to issue visas for the inspection team and the agency board will soon face calls for action.

But Pyongyang added a new hurdle over the weekend when it implied in a telex to the agency that the visits would go ahead only if the United States first resumed high-level talks and promised action on unspecified issues.

This was promptly rejected by Washington, which said inspections must come first and talks later.

"With no U.S. formula to break the deadlock our board will have to address the issue," Mr. Kyd said earlier on Tuesday.

The board was scheduled to discuss the situation on Wednesday, the last day of its meeting, after members had a chance to consult with their governments.

The inspections would allow experts to make tests, change film in monitoring cameras and check seals at the sites, mostly at Yongbyon, 95 kilometers (60 miles) north of Pyongyang.

North Korea's agreement with the inspection agency and the United States does not include two other sites that experts say are crucial to full knowledge about North Korea's nuclear capabilities.

Gaining access to those sites is supposed to be a focus of the so-called third round of senior-level talks between the United States and North Korea.

(Reuters, AFP)

On 'Hot' Drink, Tokyo Stance Is Hands Off

Agency France-Press

TOKYO — The director of the Science and Technology Agency said Tuesday that a video containing a cartoon character drinking water contaminated by plutonium was not suitable as a public health warning.

But the director, Satsuki Eda, also indicated that he did not plan to ask the state-run company that issued the video to withdraw it.

Mr. Eda said, "I don't think the situation requires me to give concrete instruction" to the corporation.

He was commenting on a request by the U.S. secretary of energy, Hazel R. O'Leary, that Power Reactor & Nuclear Development Corp. withdraw the video because it understated the danger of plutonium.

She made the request in a letter dated Feb. 7 and sent to the company's president, Takao Ishiwatari, a company spokesman said.

A spokesman for the company said that it did not intend to withdraw the video, although it regretted that it had caused misunderstanding.

"We did not mean to say plutonium is safe to drink," the spokesman said.

France and U.K. Retain Reprocessing Program

By Barry James
International Herald Tribune

PARIS — Japan's reported decision to slow down its nuclear fuel cycle leaves France and Britain as the only two countries strongly committed to reprocessing reactor fuel, rather than storing the spent fuel rods above ground.

But Britain's bid to start operations at its Thermal Oxide Reprocessing Plant at Sellafield has been placed in doubt by a legal challenge from a local government and by the Greenpeace environmentalist organization.

France operates two such reprocessing units at a huge facility just outside of Cherbourg. The plants separate highly fissile waste products from spent uranium fuel rods and send them into storage for eventual burial. About 3 percent of the rods are unusable waste. The rest is converted back into reactor-grade uranium and a small quantity of plutonium, which can be mixed together in a fuel known as MOX and reused in commercial reactors.

France handles the waste from its more than 50 commercial reactors as well as spent fuel rods from foreign utilities, notably Japanese.

Japan operates a pilot-reprocessing plant, but with French help is building a plant modeled on the French reprocessing facilities near

Cherbourg. The Japanese decision to slow down the fuel cycle appears to put this cooperation under threat, although to what extent was not clear on Tuesday night.

Under the original agreement, Japan would have taken one-quarter of the 3,300-ton reprocessing market by the year 2000, leaving half in French hands and the rest to Britain.

In the United States, former President Jimmy Carter turned down an application to build a commercial reprocessing plant on the grounds that it would be uneconomical without massive subsidies. As a result, the reactor rods from U.S. reactors are stored in huge tanks of water and allowed to cool for a generation or two. With the exception of Japan, Germany and some other countries in Europe, virtually all the world's nuclear-operating countries do the same as the United States.

Japan's decision also places a question mark over the future of the broader reactor industry, according to nuclear experts. Breeder reactors produce more fuel, in the form of plutonium, than they burn. But France's Superphénix fast-breeder reactor, once seen as a model for the industry, has been plagued by questions about its safety and concerns about proliferation.

NUCLEAR: Delay by Japanese

Continued from Page 1

2050," a senior government official involved in the debate said last week. "Politically, it is clear that this is not the time to be producing plutonium, shipping it around the world or storing it."

The Clinton administration, fearful of adding to its tensions with Washington's biggest ally in the Pacific, has never publicly opposed Japan's plans to build a series of breeder reactors, which both produce and consume plutonium, or the reprocessing centers needed to convert nuclear waste. In fact, the nonproliferation policies issued by the White House last year gave a specific exemption to Japan's project, and to reprocessing centers in England and France that depend heavily on Japan's business.

But the United States halted its own breeder reactor program 15 years ago, largely to stop the spread of bomb-grade materials. American officials have made little secret of their concern that Japan's program would add tremendously to the glut of plutonium created by the dismantling of nuclear weapons in the former Soviet republics.

While Japan's plutonium is "reactor grade," meaning it is made for energy production instead of weapons, the National Academy of Sciences in the United States recently concluded that such material could be used to make a bomb, heightening the concerns that the supplies could fall into the hands of terrorists or aspiring nuclear states, including Iran, Iraq and North Korea.

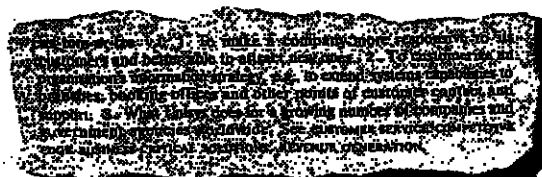
"The overall program is now seen as more trouble than it is worth, in terms of the money and the politics," said Paul Leventhal, the president of the Nuclear Control Institute, a group in Washington that has led the lobbying effort against Japan's plutonium plans. It has suggested instead that Tokyo buy and stockpile large amounts of uranium, which is far more difficult to turn into nuclear weapons.

"The increasing international pressure because of the program has created a perception abroad that Japan is interested in preserving the nuclear weapons option," Mr. Leventhal said. The Japanese government, he added, "is finding it more difficult to blunt that perception."

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☐ Yes ☐ No
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7. Can your organization respond quickly to what customers and markets are telling you?
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Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

New Russia in Trouble

Russia's economic transformation seems to be moving into a new and troubling phase. Both inflation and unemployment are rising, creating new burdens for a government that gives little sign of having any clear sense of direction. Now, in the third year of the post-Soviet era, many Russians are clearly weary of economic reform — while the Western democracies have equally clearly lost much of their original enthusiasm for aiding it.

The record of progress so far is mixed and chaotic. There have been solid achievements. Most prices have been freed, and markets are expanding. Privatization of state enterprises is moving along steadily, and some of them are doing well under their new owners. There is enough food; the starvation feared two years ago has not happened. But there is a darker side as well. The transition away from communism has meant a severe drop in living standards for a great many — perhaps most — of Russia's people. One out of every four now lives in poverty in a country that has no reliable system of public help for the aged and unemployed.

Ominously, political paralysis is interfering with the remedies. An ideologically fragmented legislature seems incapable of enacting the basic laws of ownership and commerce necessary for health investment and growth. The government keeps stoking money desper-

ately into hopelessly unproductive factories, wasting the resources out of which a social safety net might be built.

Russians can properly complain that the West never told them about the two paradoxes contained in social democracy as practiced in Europe and North America. The first is that it takes a lot of regulation to make a free market work. Where freedom merely means the absence of government intervention, the market is infested first by racketeers — the stage visible at present in Russia — and then by cartels. The second paradox is that a broad system of social protection and benefits is essential to make free enterprise work effectively. Otherwise the prospect of rapid economic change, destroying jobs for some people while creating them for others, is too terrifying to endure, and people will vote to hobble the whole threatening mechanism of economic growth.

Many Russians now think that they are seeing the emergence of a kind of free economy that means impoverishment for most of the population, while crime and the rackets flourish unimpeded by any public authority. That nightmare vision is probably becoming the greatest danger to the rise of genuine democracy in Russia.

—THE WASHINGTON POST.

Greece Is Out of Order

There is something wrong with the Greek government's sense of logic. It says it is afraid of chaos in the Balkans. It then slaps a trade embargo on its small northern neighbor, Macedonia, thereby threatening to widen the Balkan chaos. Since they broke away from ex-Yugoslavia, the Macedonians have struggled to build a new economy and keep the peace between their Slav majority and their Muslim minority. They have had some success, but the closing down last week of their main link with the outside world, through the Greek port of Salonika, could knock them spinning.

There is also something wrong with the Greek government's grasp of history. Its problem is not, as it claims, a fear that little Macedonia — a fifth of Greece's size in population, even less in economic power — might try a grab at the Greek province also called Macedonia. That could be dealt with by a border-respecting guarantee, which the Macedonians say they are ready to give. What the Greeks are really after is to stop Macedonia from calling itself Macedonia, because they say that is a "Greek" name.

In fact, the Macedonians are entitled to share the name. The land they live in was part of the ancient Macedonia of King Philip's time, which was at most fringe-Greek (Philip's army invaded and conquered classical Greece in 338 B.C.). Today's Greeks are using bad history to pursue a pointless feud.

The irony is that today's Greece holds, until the middle of this year, the rotating presidency of the European Union. Its EU partners are perturbed by what it is doing.

They probably cannot order it to stop, unless it turns out that the barriers that Greece has imposed on trade with Macedonia violate EU trade law, as the European Commission warned in a statement issued in Brussels on Monday. Nor can they throw Greece out of the Union, even though they provide close to a tenth of its national income. Once in that club, you cannot be ejected, under present rules. But anger with Greece could show itself in other ways.

One is economic. Greece runs a dangerously large public-sector deficit, which seems set to expand still further even though the Greeks have promised the EU to cut it. Starting this year, the Union has the power to announce publicly that a member country is failing to keep its economy in order — in effect, to declare the country uncreditworthy. That would be a drastic thing to do, but Greece's foreign policy may be making its partners less reluctant to be drastic in what they say about its economic policy.

The other way is for Europe to address Greece's *philotimo*, its sense of dignity. The Greeks have a splendid history. They long to be respected by modern Europe. Their six-month presidency of the Union will come to its climax in a summit meeting on the island of Corfu, where the leaders of the rest of the Union are to be greeted by the elderly, ailing Andreas Papandreu. If Greece is not behaving better by then, Mr. Papandreu should be told that his country is falling short of the standards of its own past and of Europe's future.

INTERNATIONAL HERALD TRIBUNE

Vietnamese to Go Home

They first floated into the world's consciousness in 1977, fishing boats crisscrossing with desperate men, women and children fleeing the hardships and persecutions of a newly united Communist Vietnam. They encountered pirate attacks at sea and hostile receptions on nearby Asian shores. Still, nearly a million of these "boat people" eventually set sail, most in the late 1970s and early 1980s.

That chapter of history has now been officially closed by the office of the UN High Commissioner on Refugees. The United Nations' refugee arm declared last week that fleeing Vietnamese would no longer be automatically eligible for consideration as political refugees; they will be judged on an individual basis like other applicants. Most of the 60,000 boat people remaining in Asian refugee camps can now be legally sent back home.

That is welcome news to the affected Vietnamese. But sending them home is no more cruel than leaving them to rot in refugee camps — if they can be assured of freedom from reprisals on their return. Asian countries, fearing unemployment and ethnic conflict, will not admit them as residents. And Western countries other than the United States have been almost equally unwelcoming.

Although the world likes to pretend otherwise, the treatment that refugees receive al-

ways has a lot to do with international politics and the current standing of their homeland. The Vietnamese exodus of the late 1970s shocked a world that had been lulled by Hanoi's rosy — and false — postwar picture of liberation, peace and national recuperation. Vietnam is still a poor country and remains arbitrary in its treatment of those suspected of political nonconformity. Yet it offers more hopeful economic prospects and less systematic repression.

It is also being officially welcomed back into the community of nations that isolated it during the long Indochina wars. Only this month, the United States finally dropped its 19-year economic embargo. The Association of South East Asian Nations, once virtually an anti-Vietnamese alliance, now weighs accepting Hanoi as an associate member.

International law defines a refugee fairly strictly. Most people trying to escape poverty and dictatorship do not qualify, only those who can demonstrate a "well-founded fear of persecution." International agencies like the office of the UN High Commissioner on Refugees have a dual mandate: to protect legitimate refugees and to organize their return home after it becomes safe to go back. For Vietnam, that moment now seems to have arrived.

—THE NEW YORK TIMES.

Other Comment

Beyond Nonproliferation

The international regime, and U.S. policy in particular, must move beyond the strategy of managing proliferation to one of active denuclearization — capping arsenals and moving toward their elimination, and reversing the incentives to obtain nuclear weapons, in addition to discouraging commerce in critical materials and technologies.

The World Bank and the International Monetary Fund have already decided to condition credit upon the willingness of many developing nations to curb military spending; if aid agen-

cies and private lenders in the developed world applied a similar standard, regional security anxieties, and therefore incentives to acquire nuclear weapons, could be reduced. Prompt, consistent intervention against aggressors by international military action could counter and deter wars. International punitive measures might be adopted against any nation that used nuclear arms against a non-nuclear weapons state. A multilateral nuclear deterrent force might eventually provide a "last resort" guarantee against nuclear attack.

—Peter Gray, in a "Briefing Book on the Nonproliferation of Nuclear Weapons."

Yes, Help the Japanese to Design a Normal Country

By Karel van Wolferen and R. Taggart Murphy

TOKYO — Bill Clinton is being censured for insisting that numbers be attached to a trade agreement with Japan. Why should an administration ostensibly devoted to liberalizing the Japanese economy put so much emphasis on specific import targets that play into the hands of bureaucrats?

The simple answer is that it is not playing into the hands of Japan's bureaucrats — quite the contrary. And the history of trade friction with Japan has shown that only concrete objectives will make trade agreements meaningful.

President Clinton's decision not to sign a window-dressing deal with Prime Minister Morihiro Hosokawa has in fact ended a quarter-century of mutual deception and self-deception, removing a source of bitterness that eats away at U.S.-Japanese relations.

And, contrary to predictions, it has not undermined the "fragile reformist" Hosokawa coalition government.

Foreigners need to keep reminding themselves that Japan's elected politicians do not run the country. Bureaucrats from the Ministry of International Trade and Industry and the Ministry of Finance have always been the key players in trade negotiations. The Hosokawa government is more dependent on the bureaucrats than any since World War II.

When it was formed, a senior official in the Finance Ministry felt free to remark publicly that whatever the new government had in mind, he and his colleagues would continue to do what they thought was best for Japan. It was the bureaucrats who stopped Mr. Hosokawa from going along with specified trade targets this time, because their sole experience with them was extremely unpleasant.

In the early 1980s, MITI, working hand in glove with the industrial associations, encouraged Japan's leading electronics firms to over-build horrendously in order to wrest control of the semiconductor industry from the Americans. But after the semiconductor agreement of 1986, reserving 20 percent of the Japanese market for American manufacturers, they had to "betray" their constituents with instructions to buy from these same Americans.

Recent developments have placed the bureaucrats in the novel position of being stronger yet more vulnerable. The longest economic slowdown since the war, and tens of billions of dollars in uncollectable debts, have left many financial institutions bankrupt by American standards, effectively rendering them wards of the Finance Ministry — which thus has greater control over allocating credit than at any time since the early postwar recovery.

At the same time, the postwar have to contend with genuine, if sporadic, scrutiny by the establishment press. And they can no longer hide behind cozy arrangements with heavyweights of the Liberal Democratic Party, which had to make way for Mr. Hosokawa's coalition in July after 38 years as an official facade.

And the economic bureaucrats are no longer succeeding with the remedies that pulled Japan out of other postwar recessions. The two most important bureaucratic tools for running the economy are the systematic transfer of wealth from Japanese households to Japanese industry and the use of exports to pull the economy out of cyclical troughs.

For decades, Japanese families put up with substandard wages and rigged, eye-popping prices for essential goods from food to hous-

ing — partly because they had no choice, and partly because the Japanese system provided predictable increases in income while guaranteeing relative job security. But there have been no real gains in purchasing power in years, and many Japanese worry that so-called lifetime employment is doomed.

Meanwhile, the days of economic growth fueled by exports appear to be over. Japan's share of the global economy is now so large that the rest of the world is less and less able to pay for exports — particularly so when most other countries want to send their own goods to Japan, a form of payment that Japanese administrators find difficult to accept.

Today, by standard economic criteria, Japan is in the midst of a deflation. But the standard remedy — putting money in people's pockets — would imperil the bureaucracy's control over the economy, so it is doing precisely the reverse. It is extracting every yen it can from already hard-hit households. It is raising every price over which it has direct

It is in the interest of both countries for Americans to send unambiguous signals that Japan's traditional ways of directing its economy are no longer acceptable.

control: expressway tolls, postal rates, taxi and subway fares, utility fees. It is holding the coalition government's feet to the fire until the deeply unpopular consumption tax is raised from 3 to 7 percent.

While bureaucrats are busy raising prices to prop up the stock market and strengthen bank balance sheets, they cannot be expected to accede to American demands that threaten their control over the economy.

From inside and outside Japan, one hears a growing chorus of voices imploring them to surrender such control, to free prices and to let the market work. But the free market champions underestimate the likely costs of getting from here to there: bank failures, large-scale corporate bankruptcies, a collapse of the stock market and unprecedented social upheaval as the lifetime-employment system fragments. Furthermore, no bureaucrat anywhere surrenders power voluntarily, and Japan's are not about to be the first.

But this is no reason for Washington to give up. It is in the interest of both countries for Americans to send unambiguous signals, by deeds rather than empty admonitions, that Japan's traditional ways of directing its economy are no longer acceptable.

Such actions should not be construed as Japan-bashing. Very senior members of the Japanese political elite have often told us privately that Japan must make vast changes in its political economy if it is to have a secure future. To say so in public would be very bad form, but one Welfare Ministry bureaucrat, Masao Miyamoto, does speak his mind in newspaper articles and best-selling books.

He put it this way: "Without bureaucratic reform, the Japanese people will never be able to enrich their lives, and Japan's trading partners will be forced into a protectionist stance in order to compete. It is time for the Japanese bureaucracy to abandon protectionism, and in order to accomplish this goal, a tough, uncompromising negotiating position [from President Clinton] is welcome."

Elsewhere in the world, rapid technological change and economic globalization have forced national governments to let major companies fail, to restructure their financial systems and to endure the heavy social and political costs of reemploying people and capital. The central message from Americans to the Japanese should be that their country can no longer remain the only industrial power that expects to avoid these costs or shift them abroad.

And the Americans need to empathize sympathetically, but forcefully, that only elected politicians with the unambiguous right to rule have the legitimacy to impose and deal with such costs.

Japan's administrators are generally capable and responsible people. But in fulfilling what they see as their mission — defending the interests of their own bureaucracies against any changes that might harm those institutions — none of them looks after Japan's overall long-term national interest.

The Ministry of Finance is more concerned about losing its tight control over the budget than about Japan's perilously long recession. MITI is more worried about the headache of carrying out modest American trade requests than about the dangers of Japanese industry losing its major markets.

A policy-making apparatus that serves the nation's interest, rather than the bureaucracy's, could gradually emerge if the Hosokawa coalition and its main supporters showed a willingness to restructure the political system. The coalition government has carried the label "reformist" mainly through its program of re-vamping the electoral system to diminish political corruption. But a much more important reform, which the leaders of the coalition are known to espouse, is political oversight over the ruling bureaucracy.

In the words of the architect of the coalition, Ichiro Ozawa, Japan must become a "normal country." This is a Herculean task, given the monopoly over vital information that the Japanese bureaucracy enjoys.

The Clinton administration has what may be America's last opportunity to help overhaul Japan's economic structure, by identifying and supporting the forces that want to turn Japan into a "normal" country. Ultimately, this is of far greater importance than the ups and downs of Japan's trade surplus.

Economists point out that the overall trade surpluses are a function of different levels of savings in different nations. But that begs the question of why Japan's savings are so high. They are a direct product of bureaucratic management of the economy.

Other misconceptions could hamper U.S. efforts to help Japan reform. A prevalent one is the image of a Hosokawa government "hanging on by its teeth." Japanese party politics has been in great flux for 10 months, resulting in spectacular shifts and splits, but

so far Mr. Hosokawa and Mr. Ozawa have maneuvered astutely, and no political force is seriously challenging the coalition.

If there is a threat, it comes from the bureaucracy — which, while often divided, has often closed ranks to bring down politicians who try to interfere.

Another misconception is that pressure on the bureaucrats endangers the Hosokawa coalition. In fact, it does the reverse. Historically, administrators have shifted course only in the face of overwhelming evidence that the old face of overwork, elected politicians can be helped only by making it obvious to all that the bureaucrats, incapable of adjusting to international realities, cannot now lead Japan.

The lessons from MITI bureaucrats in recent weeks indicate that Washington has been on the right track. History's most successful practitioners of managed trade are accusing the Americans of managing trade, because they know that this is the only way of moving Japan toward "normal country" status.

What would it mean for Japan to be a normal country? Among other things, every fourth or fifth car on the road would be non-Japanese. Most medicines in Japan would be American or European imports, because at most all Western pharmaceuticals are better and cheaper. Sony television sets and Nissan cars would be the work of American, German and Korean parts. Owners of a number of companies in "strategic" Japanese industries, to use a word beloved by MITI, would live in places like Hong Kong, San Jose and Amsterdam.

Japan's administrators are accustomed to American bluster with no follow-up. The worst thing that could happen now would be for the Clinton administration to give the impression that it speaks loudly and carries a twig.

At the same time, the administration should resist the temptation to punish Japan by driving up the value of the yen, thereby making Japanese exports unprofitable. This substitute for a Japan policy may temporarily mask underlying problems, but in the end it makes those problems worse.

A large segment of the Japanese bureaucracy, while not exactly welcoming a stronger yen, prefers it to any other means of reducing Japan's intractable surpluses. The suffering that it causes in corporate Japan can be presented as something for which Americans must be blamed, rather than as a consequence of bureaucratic control over the economy.

If the United States fails to help Japan become a "normal country," the bureaucrats and their corporate cousins will be driven by the inevitable soaring yen to extend their economic apparatus and methods to much of Asia. This would at minimum widen America's trade deficit with Japan to one with the whole region. It would endanger America's remaining influence in Asia. And it might provoke great unrest when Asian countries resist economic control by Tokyo — when they resist what MITI refers to as flying in a formation of geese led by Japan.

Karel van Wolferen, author of "The Enigma of Japanese Power," is president of the Institute for Independent Japanese Studies. R. Taggart Murphy, a former investment banker in Japan, is writing a book on the U.S.-Japanese financial relationship. They contributed this comment to The New York Times.

Make Russia's Long-Term Assets Serve Short-Term Progress

By Walter Russell Mead

NEW ORLEANS — American policy toward Russia has collapsed. Russia is becoming a capitalist country, but it is becoming an underdeveloped capitalist country. Russia is moving down into the Third World.

As inflation destroys the security and savings of the middle class, nationalists develop "stab-in-the-back" theories (The bankers! The liberals! The Jews!). Russia has undergone a revolution, but the substance of the old regime remains entrenched.

Like Weimar Germany, Russia is in effect being forced to accept the loss of enormous stretches of territory inhabited by millions of Russian citizens to weak and poorly organized states on its frontiers.

But in reality Weimar Germany was much better situated than Weimar Russia. With the conspicuous exception of a handful of technological, superb industrial processes, Russia's manufacturing plant is years — decades — behind world levels. Its bankers and managers have only the

most rudimentary ideas about how to operate in the global economy.

Russia remains, in short, a backward country that faces cruel choices in a world that has little use for it.

Since Russia will remain for the foreseeable future distinctly less attractive to foreign investment than its Asian neighbors, it seems doomed to lag ever further behind the dynamic societies of the Pacific Rim.

Given Russia's demographic weakness in Asia — about 30 million Russians living in Siberia and the Russian Far East compared with more than a billion Chinese — it faces a long-term Pacific crisis that is infinitely more serious, and touches U.S. interests much more directly, than its troubles on its western frontiers.

The West's response to this situation has been worse than dismal. The program of aid, reconstruction and support for democracy that remains the official position of the West was

funded at derisory levels, and most of the funding has never materialized. Yet the West seeks to bind Russia by threats to deny or delay this pitance, tries to impose an unwelcome territorial settlement on Russia and exalts itself for the generosity of its impulses. This is not policy; it is folly on the grand scale — like the folly that brought Hitler to power in Weimar Germany and then sought to appease him. It is also folly that is eerily retracing the miserable steps by which the West edged Croatia and Bosnia on to defy the Serbs and then abandoned those countries to partition and worse.

Ukraine's boundaries with Russia are plainly arbitrary, without an effective Western security guarantee backed by bases and troops, they are unsustainable. The West will not provide those guarantees, but it lacks the moral courage to draw the consequences from this undeniable fact. It temporizes, whispers sweet words in

Ukraine's ear, encourages its leaders in their policy of ethnic and feudal defiance, and never tells Ukraine the things it needs to hear: that its independence depends on Russian acceptance of its independence, that the outside world will not lift a finger to save it, and that if territorial concessions in Crimea and in the east will reconcile Russia to Ukrainian independence, then the sooner those concessions are made the better.

Yesterday the West could not be this honest with itself or with the Russians. Today it is failing the same elementary test in Ukraine.

The West has created a situation in Russia that rewards enemies and weakens friends. Like the famous British and French diplomats of the '20s and '30s who humiliated Weimar's democrats and then fawned before Hitler, it is harsh and stern to pro-Western politicians in places like Russia and Serbia, and it cringes before the ultranationalists.

If Vladimir Zhirinovskiy became

president of Russia tomorrow, the West would treat him better than it treats Boris Yeltsin. It might cut off the token aid that Mr. Yeltsin receives, but it would listen to Russia more carefully and respect its national interests more scrupulously than now. It is, in other words, willing to appease enemies and unwilling to assist friends.

Persistent illusions and self-deceit have already cost America incalculable prestige and goodwill in Russia. Increasing numbers of Russians, people who initially looked to it in a spirit of trust, have lost faith in its ability to help them, and many are beginning to doubt its intentions.

Helping Russia will cost money — much more than any of the aid plans now on the table. The "Marshall Plan" concept is dead. We either seek alternatives or harvest the fruits of the policies of paranoia in a country with thousands of nuclear warheads. Why not try lend-lease?

Why not give Russia the money it needs in exchange for some tangible pro quo — like Franklin Roosevelt when he loaned Britain 50 destroyers in exchange for long-term leases on military bases?

Mr. Yeltsin once proposed Western leases on Russian oil lands to pay the foreign debt. On a recent trip across Siberia, I found surprising levels of interest among Russian officials and analysts in proposals including a "Hong Kong solution" for the region around Vladivostok.

It should not be a task surpassing human ingenuity to find ways in which Russia's long-term assets — its natural resources, its strategic power — can be brought to bear on its desperate short-term problems.

The writer, a senior adviser of the World Policy Institute, is completing a book on American foreign policy for the Twentieth Century Fund. He contributed this comment to The Washington Post.

Ingestion for Hong Kong, Indigestion for Beijing

By George Hicks

HONG KONG — That the sound and fury of the "disagreement" between Britain and China signify nothing was first divined by the Hong Kong stock market about six months ago, when there ceased to be any relationship between the political temperature and movements in the market. The Hong Kong masses had long before lost interest in the repetitive polemics of the two sides.

The supposed climax to this squallid story begins this Wednesday when the legislature of the British colony votes on a limited democratic reform bill proposed by Chris Patten, the governor. It is his stake in history to the moral high ground. Beijing has again warned Hong Kong that come 1997 it will disband the territory's three tiers of government if the legislature approves the reform package.

The brutal suppression of the pro-democracy movement in China in 1989 brought a million people onto the streets of Hong Kong to protest on several occasions. While public opinion polls show that a majority support the Patten proposals, it is a safe bet that virtually no one in the territory will be clamoring either for or against more democracy. Most people in Hong Kong want to do nothing to provoke China and precipitate the premature arrival of the dreaded People's Liberation Army.

The masses of Hong Kong understand that the real drama lies not in electoral fiddles but in the coming collision between an authoritarian China and a semi-Westernized Hong Kong. Almost no one in the colony believes in the "one country, two systems" principle enshrined in the Chinese-British Joint Declaration on Hong Kong.

It is simply a convenient fig leaf behind which both Britain and China hide. Its embrace enables Britain to avoid charges of a sellout, while China can assert that Hong Kong people have nothing to fear as their

life-style will not be threatened by the Chinese takeover.

In China, however, ideological "honesty" still shines through. Qin Wenjin, a deputy director of the Xin China News Agency, said recently that Hong Kong, after 1997, would become "purely an internal matter of China."

Beijing, the post-1997 status of Hong Kong will be no different from that of Tibet or any other territory under Chinese sovereignty.

The success of Hong Kong and of economic reforms in China in the last 15 years is rooted in an odd political and economic relationship. Although they are physically close and economically complementary, there is a political, legal and cultural divide that can never be bridged.

It is this combination of closeness and apartness that gives the Hong Kong-China relationship its unique creative tension. The colony has provided the capital, entrepreneurship, technology, marketing and infrastructure essential for the success of China's reforms, while Hong Kong, without China, would not be a major international city. Once this crucial element of apartness is destroyed, as it will be in 1997, Hong Kong and China are likely to be millstones around each other's necks.

The first problem to be overcome is the colony's difficult transition to Communist rule. Forty months from now, a free society will be handed over against the will of the great majority to a country with one of the world's worst human rights records. This transition has to be worked by sleight of hand, using the hollow slogan of "one country, two systems."

China's economy works, after a fashion, without the rule of law, an independent judiciary or a free press. But it is an illusion to think that the finely tuned, modern service economy of Hong Kong will do the same.

With subsistence wages, manufacturing and agriculture can boom in a corrupt environment. Financial services and most other sectors of Hong Kong's economy cannot. If they are lost, the alternative will be to bring back the manufacturing industry that has moved from Hong Kong to China. The territory would then be seen as a drag on the mainland's economy.

The most important consequence of the absorption of Hong Kong by China will be political. It will give tremendous push to the centrifugal forces that already threaten to tear China apart. By far the most powerful of these independent regions is Guangdong, the southern Chinese province adjacent to Hong Kong. From Beijing's perspective, Guangdong's economic growth is already wildly out of control.

A powerful new alliance against Beijing between Hong Kong and Guangdong, linked by common economic interests and the Cantonese dialect, is sure to develop. The foundations are already in place. A Beijing that can barely control the periphery now would regard inclusion of Hong Kong in the Guangdong camp as the final straw.

It is ironic that Hong Kong, under British rule, has always given Beijing the best of all possible worlds: vast economic gain, political neutrality and no responsibility. But once Hong Kong is Beijing's responsibility, China will find itself with the worst of all worlds: an economic burden, a political thorn, a cultural contaminant and a threat to the very unity of China.

In gaining physical control of the territory, China will necessarily destroy crucial functions that Hong Kong has performed. These include a bridge to the outside world, a conduit for capital and ideas, and a training ground for mainlanders. More abstract but also of vital importance has

been Hong Kong's role as a safety valve. Florida performed a similar function for Communist Cuba by providing Cuban dissidents with both exit and voice, indirectly enabling the regime of Fidel Castro to survive.

After 1997, the Hong Kong safety valve will no longer exist. Thousands of pro-democracy critics in Hong Kong — people like Martin Lee, Szeto Wah, Emily Lan, Christine Loh and Anna Wu — will be inside China. Even in jail they would prove as troublesome for the Chinese authorities as Aung San Suu Kyi is for the Birmese.

The writer, an economist and author of books on China, contributed this comment to The Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Difficult Debut

PARIS — It is a long time since any Paris theatre has been the scene of such scandalous incidents as took place yesterday evening (Feb. 22) in the Opéra-Comique. The cause of the scandal was the debut of Mlle. Jane Harding in M. Saint-Saëns' opera "Phryné." Mlle. Harding has up to the present been better known as a leader of the *demi-monde* than as an operatic star. The moment the actress made her appearance on the stage, whistling, hisses and catcalls were heard on all sides, followed by a shower of dead rabbits, fish, cabbage, eggs and vegetables. At the end of the first act, one lady declared: "She took my husband from me and spent my fortune. Nobody shall prevent me hissing her off the stage."

1919: Bolshevik's Arrest

LONDON — The "Daily Express" understands that Scotland Yard detectives of the Special Branch last

night made another sensational arrest in connection with the activities of the Bolshevik agents in Great Britain. The arrested man is an alien whose name is stated to be Marx. In view of the discoveries made by the Paris police following the attempt to assassinate M. Clemenceau, the British authorities are taking drastic action with all suspicious "undesirables" in this country.

1944: Sweden Bombed

STOCKHOLM — [From our New York edition:] Bombs from "foreign planes" fell in Stockholm tonight (Feb. 22) for the first time in the war, and the official Swedish news agency was in a "panic mood." The bombs landed in an open-air theater in southern Stockholm and in the town of Strängnäs, just west of Stockholm. No persons were reported killed or injured, but thousands of windows were said to have been shattered by the explosions.



International Herald Tribune
ESTABLISHED 1887

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Director of the Publication: Richard D. Simmons

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.

Tel.: (1) 46.37.93.00, Fax: Circulation, 46.37.08.51; Advertising, 46.37.52.1

OPINION

Answers That Could Help Contain the War in Bosnia

By A. M. Rosenthal

NEW YORK — How did it happen that the West flunked itself politically, militarily and economically at war against one side in a three-sided war in the Balkans?

In the breathing space that came with the NATO ultimatum and the decision of the Serbs to pull artillery back from range of Sarajevo, that is the most important question that the United States and its allies can ask themselves. With luck, the answers could help prevent the war from spreading wider and keep the United States out of the civil, religious and ethnic wars now breeding.

Obviously the president should ask that question of his top foreign policy advisers and then — oh, dreamer — let

secretly in 1970 but published openly in 1990, the document said that there "could be neither peace nor coexistence between the Islamic religion and non-Islamic social and political institutions."

The West did not deign to pay attention to Serbian fears, or Serbian rage at being enveloped in a new Bosnia, influenced by thinkers like its president. The Serbs chose war.

So these are some lessons for America, its allies and the United Nations:

1. Wait before encouraging secession unless you are prepared to protect the seceders — not only from the mother country but from their own minorities. This does not apply to collapsing empires, like the Soviet or colonial models. But it does to individual countries facing secessionist forces — say, India or Mexico.

2. Before recognizing a new country, find out if it has enough control of its territory to provide a decent chance that independence is not a synonym for civil war.

3. If not, decide in advance among three options: withhold recognition pending negotiation with large minorities, jump in militarily if war comes, or just light the match and sit around looking dolefully at the fire.

The lessons for religious or ethnic groups planning independence:

1. Decide whether or not you are strong enough to survive — alone.

2. If not, forget the fantasy that the countries that recognized you will also fight for you.

3. Make concessions that will convince important groups of hostile courtiers to live under your roof — or let them secede themselves.

The West not only encouraged the conditions of war in Bosnia but then failed to get behind an agreed political solution to end it.

Now, President Bill Clinton is again urged to sit attack by some of my journalistic colleagues. They seem let down, made bombless by the Serbian withdrawal and Russian entry.

I believe that in Bosnia the road to peace is not down a bomb bay but through U.S.-led negotiations for partition. It is the only solution left standing by Western and Balkan politicians and diplomats.

On Bosnia I am a minority among more fearsome colleagues, and now their target, but here I stand, without any intention of secession.

The New York Times

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

And the question diplomats detest: Was it possible to avoid the war that brought about so many atrocities — to avoid it honorably and sensibly?

us know. Even if he does not, the answers can be found plain in government actions, and failures to act, of the past three or four years.

Most Americans give the same answer about what brought the United States in — the atrocities of Serbs against Muslims, particularly that last shelling of the Sarajevo market. The Serbs deny responsibility and the United Nations says it cannot fix blame. But Serbs committed so many horrors that they cannot expect the world to believe them when they deny another.

Now this is the question diplomats detest: Was it possible to avoid the war that brought about the atrocities — avoid it honorably and sensibly?

The answer is "yes" times four.

At least four times the alarm of civil war to come was sounded, three times by representatives of the United Nations, once by the current president of Bosnia, Alija Izetbegovic.

The warning was that if Europe too quickly recognized Croatia's breakaway from Yugoslavia, Bosnian Muslims would feel impelled to declare independence, over the objections of Bosnian Serbs. Civil war — the Bosnian president's phrase — would explode.

Most Bosnian Muslims say they want a democratic nonreligious state. But Serbian Christians had suffered under the rule of the Serbian Muslim countrymen, first centuries ago and then during World War II. They recalled both times, in detail.

And most Serbs had read an essay by Mr. Izetbegovic. Written and circulated



LETTERS TO THE EDITOR

Properly Tough on Tokyo

Regarding "It's Risky Getting Too Tough on Tokyo" (Business/Finance, Feb. 11) by Reginald Dale:

I wonder who has led whom up the garden path in the U.S.-Japanese relationship. The United States should face reality. We Americans are wasting time in believing that the Japanese will become more like us; until they abandon their mercantile practices, we should try to act more like them.

President Bill Clinton should continue his pressure tactics until America's trading partners learn that warm and fuzzy promises will no longer work. Only action will persuade the rest of the world that the Japanese are sincere about opening their markets.

THEODOR V. HEYERMANN, Bangkok.

with an encircling snake in diamonds which Mrs. George Keppel gave to King Edward and which Queen Alexandra gave back to her as a souvenir.

I say noteworthy, because it is a fine example of that for which Fabergé was famous, a large surface of enamel on a gullible background of gold or silver. It is remarkable, too, as an example of the happy and sane way of doing things: for in 1936 Mrs. Keppel gave it to Queen Mary to return to Sandringham and thus keep the collection complete.

The details of this enchanting and characteristic series of exchanges are recorded in Queen Mary's hand and are to be found, to this day, on a piece of paper kept inside the case.

A. KENNETH SNOWMAN, Chairman, Wariski Jewellers, London.

Lillehammer Gets the Gold

Let me offer early thanks to the Norwegians for putting on the best Olympics in recent memory. This has been a simple country village celebration, with no unnecessary glitz or glamour, no false patriotism or chauvinism; just friendliness, hospitality, honesty and superb sportsmanship by athletes and spectators alike. As an American, I have appreciated this all the more as a contrast to the embarrassingly overdone spectacle of the Los Angeles Olympics.

Thanks also to the speed skater Dan Jansen, whose Olympic triumph, after many difficulties, helped remove some of the small that has been hovering over ice skating in the United States.

AL ROSSUM, Paris.

From the Chinese Camps

Regarding the review of "Bitter Winds: A Memoir of My Years in China's Gulag" (Books, Feb. 10):

Andrew J. Nathan, in his interesting review, states that "there have been many memoirs about the suffering of the Chinese under Mao, but none about life in camp." Please allow me to draw your attention to the classic description of the Chinese system of labor camps in the autobiography of Bao Ruowang (as the Frenchman Jean Pasqualini was known in China), "I Was a Prisoner of Mao," which was published in the 1970s.

HELLE LYKKE JACOBSEN, Danish Embassy, Moscow.

Prenatal Testing

Regarding "Dilemma of Knowing: Patients, Not Doctors, Now Make the Hard Choices" (Jan. 28):

Yes, perhaps prenatal diagnosis does lead to "the most tortured medical decisions today." Ultrasound tests are nearly routine, yet notoriously unreliable, and amniocentesis, the usual follow-up, is risky.

But more wrenching than the predicament of parents who are pressured into discovering that something may be wrong with their baby is the mentality that would screen babies at all, weeding out the sub-optimal ones before birth and awarding a parent's love and acceptance to those who can pass the prenatal test.

DEVRA TORRES, Barcelona.

Lillehammer to Sydney — A Friendly Spirit at Stake

By John Williams

NEW YORK — Nearly four decades ago, as a young Australian hitchhiking around Europe, I happened to stop at a small inn near Lillehammer. The food was simple and the bed comfortable. It was late fall, and the town's wooden homes hid behind russet and bronze leaves that shimmered on the trees and fluttered across the hard ground.

I met a Norwegian girl my age and ended up staying a few weeks. In the

MEANWHILE

mornings we hiked in the chill blue mountain air, or explored rustic shops for those thick sweaters that would keep you warm at the North Pole. In the drowsy afternoons she played the piano in the inn's empty salon. In the evenings we toasted ourselves before a roaring log fire. We had eyes mostly for each other, but there really were not many other people around.

Lillehammer, which normally has a population of 23,000, is now hosting some 100,000 spectators a day at the Winter Olympics. In the run-up to these Games, the town saw its face changed by the construction of roads, an Olympic village, a media center for 6,000 journalists, indoor and outdoor sporting facilities, a hospital, an art museum, a train station, restaurants, shops, toilet blocks, food stalls and more.

Friends in Norway tell me that long before the Olympics started, many Lillehammer inhabitants were anxious, fearing that their romantic town would end up as a small city with big city problems — unemployment, empty hotels and social dislocation. The new infrastructure, they thought, could destroy the place.

Today people are much less worried about the buildings, which have been carefully located and blend into the surroundings. "Most people think it still looks pretty much the same," a friend in Lillehammer said. But he added that the question "is whether it will be the same place, or whether it will change somehow, from the inside."

In the usual thorough Norwegian way, researchers will try to assess the impact. The University of Oslo has launched an anthropological study. A women's forum is reviewing the possible infiltration of prostitutes.

Lillehammer now lies in my past. But I do worry about my hometown, Sydney, one of the world's truly great cities. How fragile is the magic of a city? Could hosting the 2000 Summer Olympics produce a less wonderful Sydney?

Sydney is a big, self-confident place, a much tougher nut than Lillehammer. Yet the Summer Olympics, which dwarf the Winter Olympics in every way, become a bigger and bigger deal each time.

With a population nearing 4 million, Sydney is already one of the great tourist centers of the Pacific Rim, attracting 2 million foreign visitors a year. The 2000

Olympics will draw one of the biggest gatherings in history.

People in Sydney are talking of real estate speculation. But what troubles me, as it does some people in Lillehammer, is intangible, precious and potentially fragile — a city's spirit. Sydney's is unique, as a few examples from my most recent visit show.

The weekend after New Year's Day I walked into a fruit-and-vegetable shop in Mosman, an affluent seaside suburb. The owner and two assistants sat near the counter, sipping glasses of chilled Australian chardonnay. "Please join us," said the owner, who had never seen me before, pouring me a glass. "A delayed New Year celebration?" I asked. "No," he replied. "It's just that we're on a long shift today, and need a little cheering up."

We arrived late at a suburban cinema. Two young ushers stood at the entrance. "You've missed the first 10 minutes," they said. "Here's what has happened so far." In 60 seconds he gave us a succinct summary that placed us perfectly in the plot.

My wife asked if there was a water fountain nearby. "Not up here," the woman smiled. "But no worries, I'll just nick downstairs and bring you up a glass. Do you like ice?"

Finishing a meal in a small restaurant, I asked the waiter if I could pay by credit card. "We haven't got that machine in yet," he said. "No worries, mate. Pay the next time you come in, if you like."

I paid by cash. Next day, still full of wonder, I recounted the story to our eldest son, who lives in Sydney. "Dad, thanks for reminding me," he said. "I did the same thing there a month ago. I must remember to pop in and pay them."

You may still find such generosity in villages, if you are lucky. But how many big cities are like this today? One thing is for sure. If it's lost, no anthropological surveys will bring it back.

Mr. Williams is a free-lance writer based in New York. He contributed this comment to the International Herald Tribune.

A Wrong-Footed Opening

QUESTION: How much time would elapse in CBS-TV coverage of the Winter Olympics before mention was made of Tonya Harding and Nancy Kerrigan? Answer: Barely one second. CBS in effect delayed its broadcast of the opening ceremonies for the bulletin that Harding would be allowed to skate after all. Perhaps it was feared viewers would tune out in droves if they didn't hear Harding's name immediately. For some of us, though, opening with yet more tales of "trampy Tonya" and "maize Nancy" got the coverage off on exactly the wrong foot.

— Tom Shales, The Washington Post.

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THE INTERNATIONAL HERALD TRIBUNE CHINA SUMMIT.

Chance for Peace Is Seen

Russian Envoys Join Allies in Bosnia Talks

By Craig R. Whitney
New York Times Service

BONN — Russian, American and European diplomats agreed Tuesday that the withdrawal of Serbian heavy weapons from Sarajevo after a NATO bombing ultimatum and Russian intervention had created the best chance in two years to achieve a negotiated end to the war in Bosnia-Herzegovina.

Jürgen Chrobog, a German Foreign Ministry official who presided over the meeting, said that the officials had recommended concrete steps to their governments but that these did not include any new bombing threats to stop the fighting in other areas.

[The United States on Tuesday played down calls for an extension of the NATO ultimatum, Reuters reported from Washington.]

"We are not in a position where we want to overreach," said Mike McCurry, a State Department spokesman. "We're in a position now where we are trying to consolidate those gains that have occurred around Sarajevo and then figure out how you branch out from that effectively."

Mr. Chrobog made clear that the European view was that the best chance of negotiating success would come if both the United States and Russia remained closely involved. Russia objected to the NATO ultimatum but used its influence with the Serbs to persuade them to withdraw or turn over their heavy weapons by the I.A.M. Monday deadline.

[The commanders of warring Bosnian Muslims and Croats will meet in Croatia on Wednesday to try to sign a general cease-fire, Reuters reported from Zagreb.]

[The meeting, due to take place under UN auspices in Zagreb, was delayed for two days because of objections by the Bosnian president, Alija Izetbegovic, that are now resolved, a senior official in the UN Protection Force said. "Izetbegovic seems to have caused the delay by initial reluctance to enter into a cease-fire but that seems to be out of the way now as a result of UNPROFOR and other diplomatic contacts," he said.]

Mr. Chrobog said that all those present, including Vitali I. Churkin, the Russian negotiator, agreed that the Bosnian Muslims had to be offered something qualitatively better than the one-third of the country's territory, in slices, that was in the latest plan prepared by UN and European Union negotiators and rejected at the Geneva conference earlier this month.

"In the list of specific things we are trying to do now, there is nothing in my view would require strong words or strong actions," Mr. Churkin said after the talks, held in the Bonn suburb of Bad Godesberg.

The officials at the meeting, who also included the U.S. special envoy, Charles E. Redman, agreed that the Bosnian Muslims, Croats and Serbs had agreed in principle to dividing up the country equally, "the quality and survivability of the territory for the Bosnian government," representing the Muslims, "must be improved."

Mr. Redman later told reporters: "Our engagement, along with the European Union and the Russian Federation, has certainly stimulated the parties to think in new ways. And now we're going to see if we can turn this into something that brings us a negotiated solution."

Mr. Churkin told German television that he was very skeptical that the Sarajevo model could be used in other places because the situation in the capital was unique.

But the statement said the officials had agreed to use their influence on all the warring parties to grasp what they called "the new chance for peace" and to agree to a cease-fire and a removal of heavy weapons from around the city of Mostar as well.

The officials said they would work for a gradual widening of the protected zone around Sarajevo, in particular by preventing a "spillover" to other war zones of the weapons pulled out or placed under UN supervision by the Serbs over the weekend.

And they called, yet again, for access for humanitarian aid supplies to the beleaguered civilian populations around the embattled

area of Srebrenica and Tuzla, and around the town of Maglaj.

How these goals would be achieved was not clear from the statement. Some of them, such as the opening of the civilian airport at Tuzla for civilian relief deliveries, have been called for by the North Atlantic Treaty Organization and the UN for months.

"We have a joint position," Mr. Chrobog said. "Now we will go to our ministers. They must draw their own conclusions."

Chancellor Helmut Kohl has said that he would welcome "a high-level international conference" on the Balkans.

"I welcome the fact that, with Boris Yeltsin and the Russian government, now another important power has taken on responsibility," Mr. Kohl said.

By Roger Cohen
New York Times Service

PALE, Bosnia-Herzegovina — On Tilava Hill, in the Serbian-held mountains ringing Sarajevo, eight 120-mm mortars stood in open defiance of NATO threats, flanked by multiple-launchers, anti-aircraft guns and other Serbian weapons used in the 22-month siege of the Bosnian capital.

About a kilometer away, Sergeant Robert Monneret, a French member of the UN force, stood in a snow-covered field and peered grimly at the weapons through binoculars.

"My mission," he said, "is to survey the Serbian weapons and prevent any use of them. For us, it would have been much easier to regroup these artillery pieces and mortars in a UN collection site lower down, but the Serbs say they have orders not to budge from this position."

Lowering his binoculars, and glancing up with a hint of concern at two NATO F-14 Tomcat fighters sweeping overhead, Sergeant Monneret added: "We are still negotiating with the Serbs to try to ensure the regrouping of the weapons, which are spread over quite a wide area right now."

The messy situation at Tilava, a few miles from the Serbian barracks in the Sarajevo suburb of Lukavica, illustrates the way in which the United Nations and NATO have shown flexibility toward the Serbs.

Technically, it seems that the Serbian Tilava battery should be liable for NATO air attack. The alliance's ultimatum calls for the withdrawal of any heavy weapons or "regrouping and placing" under UN control within a 20-kilometer (12.4-mile) radius of the city center. But these Serbian weapons in the hills to the south of Sarajevo are

within the designated zone and had clearly not been regrouped at any of the eight sites designated by the United Nations. They had not even been regrouped in the fields where they stood, and were scattered over an area of about 2.5 square kilometers.

"The guns are operational," said the sergeant, who heads a platoon of about 30 French soldiers that set up camp this week on the Tilava hillside. "But we try to keep them under our visual control. What is not yet clear is if the Serb commanders are really willing to move them, or if this is a small reserve in case of a Bosnian Muslim attack."

Both Yasushi Akashi, the top UN official in the former Yugoslavia, and Sir Michael Rose, the British lieutenant general commanding UN forces in Bosnia, have been prepared to give the Serbs the benefit of the doubt because, they said, heavy weapons not already with-

drawn or handed over will be soon. They have cited bad weather and the difficult terrain.

Radovan Karadzic, the political leader of the Bosnian Serbs, also blamed the weather.

"There are a few pieces stuck in the snow," he said, "but those pieces are under UN control, and as soon as conditions permit, we will put them in UN sites."

He added that "more than 50 percent" of Serbian heavy weapons had been withdrawn beyond the zone, rather than placed under UN control. But the weather does not explain the situation at Tilava.

Referring to the weapons there, he said, "If they'd agree to move them, I'd escort them to Lukavica barracks anytime."

As Sergeant Monneret talked, the F-14s swooped ever lower over the Serbian guns with a deafening and intimidating roar. "If they dropped a bomb it would amaze me," he said. "But in any case, if they do, we're pretty badly placed."

If NATO has refrained from dropping bombs, it is clearly in part because UN officials are convinced that the current cease-fire

can be built into a wider settlement for the war.

But Mr. Karadzic rejected the terms of current peace talks, which call for a union of three republics — Muslim, Serbian and Croatian — in Bosnia-Herzegovina.

"I think it is too late to talk about a union of three republics," Mr. Karadzic said. "We are separate ethnic groups and we are separate states. Why should we make some hybrid creation that would not work? It is not a good solution."

While the Bosnian government has repeatedly adjusted its negotiating stance, it appears clear that it will not accept the carving-up of Bosnia-Herzegovina — at least not without gaining substantially more or better territory.

The Serbs have offered to cut their current share of the territory to about 50 percent, but Mr. Karadzic appeared to retreat from that position, saying: "We control 72 percent of the land, and we own 64 percent. We are ready to go below 72 percent, even below 64 percent, but cannot give away traditional Serbian territories."



A man pulling a child on a sled through the snowy streets of Sarajevo on Tuesday was an indication of the calm that continued to reign.

SPIES: Senior CIA Agent Arrested

Continued from Page 1

retary, said the national security adviser, W. Anthony Lake, and the director of central intelligence, R. James Woolsey, had been ordered to lead a "coordinated examination of the national security implications of this case."

"We take this very seriously," Ms. Myers said. "We don't like it one bit."

The chargé d'affaires of the Russian Embassy was summoned to the State Department to receive the formal U.S. protest from Secretary of State Warren M. Christopher.

Mr. Ames, 52, a CIA employee for more than 31 years, was arrested Monday along with his wife, Maria del Rosario Casas Ames, 41, a Colombian-born, naturalized U.S. citizen who was a paid source for the CIA in Mexico City.

An intelligence expert said Mr. Ames' post at the CIA dealt with handling double agents, among other sensitive tasks.

"He must have been paid by the successor to the KGB and for them he would be a gold mine," said the expert, a former CIA official. "He would have had access to all the information that has been coming our way since the Soviet Union broke up."

The spying continued until the couple's arrest by FBI agents, officials said. Mr. Ames was taken into custody in his car on his way to work, while his wife, a part-time student at Georgetown University, was arrested at their home.

If convicted of conspiracy to commit espionage, each would face a maximum sentence of life in prison.

The arrests capped an investigation that had run for more than two years, officials said. It was apparently triggered by a tip from a KGB defector.

In June, agents found top-secret documents unrelated to his work in Mr. Ames' CIA office, according to court papers. The couple's home was placed under electronic and physical surveillance, and their trash was searched. Their home was secretly searched by the FBI last fall under procedures approved by the attorney general, the court papers said.

One trash search turned up a typewriter or computer printer ribbon from which agents extracted damaging information, court papers said.

The complaint charged that the couple deposited the payoff money in banks in the United States and abroad using at least two Swiss bank accounts to store and transfer the funds.

Mr. Ames, whose salary is \$69,800 a year, is currently assigned to the counterterrorism center in the CIA's intelligence directorate, the Justice Department said.

The couple allegedly paid cash for a \$540,000 house in Arlington, Virginia, made credit-card purchases averaging more than \$50,000 a year, and bought a Jaguar and more than \$165,000 in stocks. (Reuters, AP)

As Privatization Nears, a Belarus Storekeeper Goes Western

By Steven Erlanger
New York Times Service

MINSK, Belarus — This fragile, semidependent country can seem like the Soviet Union in aspic. But the only place you would be able to buy aspic is at Vladimir S. Nerozya's Universal Jubilee Shop, an island of capitalist practice in a hyperinflationary sea.

Mr. Nerozya, 41, is the boss of this extraordinary emporium, which stocks normally unimaginable goods ranging from frozen sole (by special contract from Murmansk) to German sparkling wine, Bordeaux and Kiwi shoe polish.

Mr. Nerozya, who has made the store as Western as he dares, with a special department for hard-currency sales and a trained and polite staff making \$70 a month, or three times the average salary, is eagerly awaiting the start of privatization, which he thinks may begin in April.

When the store is finally allowed to go private, he says, "it will be easier to change old habits." While a "work collective" of all the employees will buy title to the store, a group of seven will put up most of the money and run the show.

"Then we can do a real renovation and sell off all the junk," Mr. Nerozya said. "We don't want to fix it up now, it will just increase the value."

As an example of old habits, he said, the store by law is supposed to shut at 6:00 P.M. But it now stays open to 9:00 P.M., "and we sell a lot of those hours, when people get out of work."

The lunch-time break persists, however, as it does all over the former Soviet Union. Just when office workers break for lunch, all the shops close for lunch, too, leaving most of the business to the kiosks. But the range of goods there is small and there are many fewer kiosks here than in Russia, so the inevitable result is a lot of hookey during working hours as people disappear from their desks to do their shopping.

Added to the usual breaks for tea, chat and the watching of soap operas, it is a wonder anything gets done at all. Mr. Nerozya, at least, has ensured that the lunch break is strict, and that when the sign says the store will reopen, it actually does.

Another old habit he would like

to change is the time-honored, tortuous procedure for buying anything. Goods are displayed with prices. To see them, consumers through the counters, jamming their fellow shoppers out of the way with a quick elbow to the kidney. Consumers then line up at the cashier and pay for what they want, getting a receipt. They then line up again at every counter to exchange the receipt for the goods.

Mr. Nerozya wants to institute a self-service system, as in the West, with piles of goods and cashiers at the end. He has done that with cheaper items, especially state-subsidized, price-controlled products like bread that cost him more to sell than he gets in profit.

But his customers are not ready for self-service on most items. He says: "People steal, that's the problem. People get very low salaries and our prices are already reaching Western levels. So they come in to steal what they can't afford."

Reform is too slow in every field, he said, since Belarus, which had freedom thrust upon it two years ago, is still run by the same Com-

munist government that ran it in 1990.

"We want to avoid too many rapid shocks and changes," Mr. Nerozya said. "But most people would prefer to work just as little and as badly as they did before, and have it the same way in the shops."

Government absurdities add to his problems. There is no profit limit on imported goods sold for dollars. But for Belarus ruble-denominated goods, there are profit limits. And for basics like milk, meat and bread, which are subsidized, there are fixed prices if supplied by state companies or farms.

Because of shortages, there are ration coupons to get such subsidized products. But when Mr. Nerozya makes his own contract with a collective farm, there is no fixed price or coupon required. "So there are two different prices for the same items," he said. "It's ridiculous."

The Belarus government also has instituted new import and value-added taxes, as Russia has, a step that increased prices.

For example, before Jan. 1, a can of imported beer cost a customer 50

U.S. cents, providing the shop a 10-cent profit. The store still buys the beer for 40 cents and gets a 10-cent profit, but now, with taxes, the cost to the customer is \$1.40. When it is pointed out to him that a 10-cent-a-can profit would be considered very handy by a Western grocery

store, Mr. Nerozya shrugs, as if to say, "You're not in Kansas anymore."

The taxes make the beer nearly unaffordable, he said. Sales plummeted and his customers blame him — not the state — for a tripled price.

The spying continued until the couple's arrest by FBI agents, officials said. Mr. Ames was taken into custody in his car on his way to work, while his wife, a part-time student at Georgetown University, was arrested at their home.

If convicted of conspiracy to commit espionage, each would face a maximum sentence of life in prison.

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HDTV: Japan to Retreat in Face of Advanced American Digital System

Continued from Page 1

the longevity of the Muse system will chill already sluggish sales of high-definition sets and make companies reluctant to invest in new equipment and programming for the existing system.

"Now, it's chaos," said Hiroshi Fujiwara, senior vice president of Graphics Communications Laboratories, a small company developing digital video technology.

Japan's startled electronics industry association angrily called for Mr. Egawa to retract his remarks, saying they could render three decades of development and billions of dollars of investment obsolete.

"This is like pouring water in a sleeping person's ear," Toshikatsu Yamawaki, a managing director of Matsushita Electric Industrial Co.,

Japan's largest consumer electronics maker, said Tuesday, using a Japanese expression to indicate shock. "It is extremely regrettable."

High-definition images are twice as sharp as those of conventional television. The higher resolution allows screens to be larger without the picture becoming grainy, making TV viewing more like being at the movies.

Japan's public broadcasting corporation, NHK, began research on high-definition television 30 years ago. Broadcasts from a satellite began here in the late 1980s, making Japan the only nation in which people can actually watch high-definition television over the air.

So far, only about 20,000 sets have been sold, far below expectations. One reason is that the sets cost the equivalent of at least

\$6,000, although that is down considerably from as much as \$30,000 a few years ago. Another reason is that there is only one channel of programming available, for nine hours a day.

Digital technology, in which the sound and image are transmitted in the ones and zeros of computer code, should allow for cleaner pictures, free of static and double images, just as digital compact disks offer sound free of the hisses and pops on analog records. Digital technology also will make it easier to merge television and computers to provide interactive multimedia services.

At the time Japan began developing the Muse system, and up until a few years ago, it was thought that digital technology would not be feasible. Then American companies like General Instrument and

Zenith Electronics demonstrated such systems.

Some analysts, and even some executives in Japan's computer industry, say that the television makers should have known a switch to digital was coming and should welcome it. A single worldwide standard would mean higher production volumes, lowering costs and allowing the market to grow, which would benefit the television makers.

These analysts say it is better to make the switch to digital soon, before too much more is invested in the analog system.

"It's about time they face reality," said Peter G. Wolff, technology analyst with CS First Boston in Tokyo. "If technology is going the other way, why continue to back the wrong horse?"

TRADE: Clinton Team Learned About Japanese Practice the Hard Way

Continued from Page 1

Jeffrey E. Garten was at Shearson Lehman Brothers Inc., an American Express subsidiary, the brokerage firm waged a long battle for a seat on the Tokyo Stock Exchange. The campaign succeeded only after Congress threatened to put sanctions on Japanese securities companies operating in the United States.

Mr. Cutter knows all about the red tape ensuring Japan's telecommunications sector. As a former consultant for the accounting firm Coopers & Lybrand, he advised U.S. companies stymied by laws protecting Nippon Telegraph and Telephone, Japan's quasi-governmental telecommunications giant, in its domestic market.

"For most companies, the view was, 'We're better than the Japanese firms, but we just can't get in,'" he said.

Many on Mr. Clinton's Japan team profited handsomely from their business dealings with cash-

rich Japanese firms in the 1980s. But those dealings, if anything, seem only to have strengthened their belief that the United States needs tougher trade policies for Japan.

Mr. Altman's investment banking firm, the Blackstone Group, helped Japanese firms execute some of the largest foreign takeovers of U.S. companies, including Sony Corp.'s acquisitions of CBS Records and Columbia Pictures. Blackstone has also done work for Kirin Breweries and companies in the Mitsubishi industrial group.

Mr. Altman chuckled when he recalled that senators expressed concern during his confirmation hearing that he would be "soft on Japan" as a result of his past business ties. "My answer was that knowledge is power, not weakness," he said.

Mr. Rubin was co-chairman of Goldman Sachs Co., an investment bank that has done business with many of Japan's largest firms and

is partly owned by Sumitomo Bank. Goldman Sachs's Tokyo office has been one of several foreign securities companies that reaped huge profits from its sophisticated computerized trading operations in the Japanese stock market.

Mr. Rubin last week declined to discuss his dealings with Japanese firms while at Goldman Sachs. Some of the most important members of the team shaping administration policy toward Japan, including the U.S. trade representative, Mickey Kantor, and Treasury Secretary Lloyd Bentsen, have not dealt with Japan in the business world.

It is nevertheless clear that it is the appointees Mr. Clinton has drawn from the business community who are driving his policy toward Japan. By contrast, top officials at the State Department have had remarkably little input.

Japan Sees Talks in March Japan will try to thrash out a

trade pact with the United States next month but will not accept demands for concrete market-opening targets, a senior figure in the ruling coalition said Tuesday, Reuters reported from Tokyo.

Ichiro Ozawa, Mr. Hosokawa's adviser and one of the most powerful politicians in the eight-group governing coalition, said it would take most of next month to work out a plan.

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STAGE/ENTERTAINMENT

David Hare Tackles 'Galileo' Streamlining Brecht's Epic Of Betrayal

By Sheridan Morley
International Herald Tribune

LONDON — Brecht's "The Life of Galileo" is the one that he never quite managed to get right, or even finished, to his own satisfaction. He first wrote it as a film script in 1938, reworked it extensively with Charles Laughton toward the end of the war, and was writing yet another version when he died in 1956.

Thus we can hardly blame David Hare at the Almeida for giving us a new version, one that

THE LONDON STAGE

trims 40 or more minutes off the original, replaces the carnival with a puppet show and makes this vast, sprawling epic of scientific betrayal accessible for the first time to studio theaters.

The roll call of those who have been involved in cutting and shaping "Galileo" over almost half a century is as long as the play itself. The central figure, played now in a gargantuan performance by Richard Griffiths. Originally it was to have been Oscar Homolka, then Laughton; directors who came on board for a while included Elia Kazan and Harold Clurman before Joseph Losey finally got it into rehearsal for Los Angeles in 1947.

Critics were less than thrilled. The man from Variety wrote of a moment in the play when Galileo "investigating the laws of motion rolls a ball down an incline and measures its ability to roll up the other side. It doesn't make the grade, and neither, unfortunately, does the play."

Already it had come a long way from the first version Brecht had written in Denmark seven years earlier. Hiroshima ("we had publicity for us," Laughton had noted) had made the end of the play into a debate about the ethics of science and its function, if any, in politics, while the dominance of Laughton, not only as star but also as co-writer, was bound to affect the balance of the leading role.

Neither the Los Angeles nor the Broadway premieres of the late 1940s were anything like triumphant, and those first stages of the project petered out in a haze of ill will, with Brecht, Laughton and Losey all accusing each other of selling out, either to communism or to fears of the McCarthy tribunals.

It was not perhaps the best of times to be dealing with a crisis-of-conscience epic which has at its heart a debate over the rights and duties of the individual when faced with religious bigotry or state control.

This is the only major Brecht work that takes a historical character as its focus, and perhaps the only one in which the major event, Galileo's forced recantation of his own and other scientific discoveries, takes place offstage.

As a polemic, it lurks in the shadows of history and politics, of science and religion, and it is hugely to David Hare's credit that he has cut a path through the maze. To some extent he has also refocused the piece, so that Griffiths is now able to play a caddy great bear of a man who is from the very outset a character, eager to import telescopes from Amsterdam and then pass them off as his own invention.

The man is now essentially Falstaff instead of the rather more complex and enigmatic figure of the full text. His slow destruction, by church and state, and his own realization of what he has done to destroy the progress of scientific discovery, are none the less haunting for that.

AROUND Griffiths, the director Jonathan Kent has gathered one of the best supporting casts in the business (Michael Gough, Alfred Burke, Patrick Godfrey, Jerome Willis, and Edward de Souza as a pope becoming more authoritarian even as he is deposed for office, but they are really only there to prop up Griffiths, sometimes literally, as the great inventor becomes a giant martyr caught in the crossfire of church and state, eventually losing the very sight that has enabled him to see the stars).

This is a magnificent, not-to-be-missed performance in a handsy theatrical digest of a sprawling epic. It is also a useful reminder of what Brecht always did best, the counting of the human cost of the activities of the state in religious or political turmoil.

The author himself knew more than most about the cost of self and personal betrayal, and it is impossible not to see in the final moments of Griffiths' Galileo something of Brecht at the end of his life coming to terms, albeit briefly, with the conflicting messages he had sent out into a confused world.



The Hollywood welcome mat is out for foreign actors, here Sweden's Lena Olin in "Romeo Is Bleeding."

Joan of Arc, an Enduring Film Star

"It was easier to burn her than to tear her from the soul of France."

André Malraux, 1964

By Joan Dupont

PARIS — Is it her woman-warrior look, that haircut? The fact that she came out of nowhere and changed the map of medieval France? Her brilliant defense plea or her spectacular end? Perhaps for all these reasons, Joan of Arc is the most abiding saint in film history. From Paris to Hollywood and Rome, even to Moscow, in some 40 films, directors have tried to have the last word on the historic Maid of Orléans.

"I will last a year, not much more," Joan predicted. She survives five centuries later, less for her religious trappings than for her originality, her driving conviction. Her miraculousness lies in her powers of persuasion. Not only did she move armies, route the English invaders from Orléans, and crown a king at Reims, she has since won over skeptics like Voltaire, Mark Twain and George Bernard Shaw.

In France, Joan has been treated as a Maid for all seasons, seized upon by politicians at critical times, perceived both as the champion of individual spirit against enemy occupation and as a standard-bearer for the extreme right. Both the right and left claimed her during World War II, and afterward she was held up as an example of resistance and liberation; recently, Jean-Marie Le Pen has adopted her for his National Front party. Now a new two-part film treats her as a modern miracle woman.

Jacques Rivette's "Jeanne la Pucelle: Les Batailles" and "Jeanne la Pucelle: Les Prisons" are a day-to-day chronicle of Joan's campaigns and travails, adapted from texts by historian Régine Pernoud. Played by Sandrine Bonnaire, Joan is shown on horseback, moving men to get her "gentil Dauphin" crowned at Reims, battling at their side. Bonnaire, an early actress who made her mark as a working-class heroine, speaks in her own contemporary accents. Her Joan spends little time on prayer; she marches, shouts, laughs and cries.

Rivette, working with longtime associates Christine Laurent and Pascal Bonitzer, has an artisan's approach that may look rugged, but is actually sophisticated. He never starts shooting with a completed script, which is written when the film is under way. The dialogues have immediacy and freshness. They discovered that 15th-century French was good for today, with certain modifications that give the language an up-to-date ring. Laurent also designed the hand-dyed costumes, fitted tunics and pants. Rivette, who makes long films, has made the longest Joan to date — the two films total nearly six hours. French critics have praised his human view.

In France, the great classic has always been Carl Theodor Dreyer's silent film, "La Passion de Jeanne d'Arc" (1928). Dreyer focused on the trial and on the tragic face of Marie Falconetti, an actress who won immortality with a single

film role. In his "Procès de Jeanne d'Arc" (1962) Robert Bresson, another great director, also concentrated on the questions and answers of the trial, as noted in court minutes.

Rivette the cinéphile has avoided treading on conquered ground, replacing the close-up with the long view, making living theater out of tragedy — the trial whizzes by. Joan is neither saint, martyr nor witch, but a healthy young girl with a mission. Although this is the director's most expensive film, the amount was small in proportion to its scope. This action movie has fewer extras than an illuminated manuscript.

The Joan Americans know best is Ingrid Bergman, who starred in two movies, Victor Fleming's "Gone With the Wind," adapted "Joan of Arc" (1948) from the Maxwell Anderson play, Roberto Rossellini made her the heroine of "Giovanna d'Arco al rogo" (Joan of Arc at the Stake) (1954), his filming of the Paul Claudel and Arthur Honegger oratorio. Then there was Joan Soberg, a thoroughly American girl, brought to the screen by Otto Preminger in "Saint Joan" (1957) after a publicized talent hunt. A man of the theater and lover of courtroom drama, Preminger adapted George Bernard Shaw's long-running hit. Graham Greene wrote the script. None of these marketable features saved the film from disaster.

As a matter of fact, Joan of Arc, the movie, has always been a challenge. Directors from different countries and backgrounds — Jewish, Lutheran, Jesuit — have made the flops of their careers with this singular story. The heroine who defied all odds seems to have particular appeal to cineasts of the extreme, unsung by the public, like Dreyer and Bresson. Nor is Rivette considered an easy, popular filmmaker. Prior to his 1990 "Belle Noiseuse," his claim to fame was "La Religieuse" (1966), which was banned and became a cause célèbre.

DREYER'S "Passion" was made in a climate of adversity, problems with his producers and attacks from the press. A few years after Joan was canonized in 1920, the director was brought to France by producers who wanted him to make a popular movie, with a star like Lillian Gish or Madeline Renand. But the idea of a Danish director and American actress tampering with their historic monument was too much for the French. He ended up with Falconetti, an actress who had performed only on stage. Dreyer saw her in a comedy and chose her, he said, because he could tell she knew about suffering.

More suffering was to come. Falconetti's contract contained a clause saying she must have her head shaved for the final scene. The actress cried to see her glorious hair cut off. As the tears fell, Dreyer plucked one from the corner of her eye and placed it on her lips, where it was filmed for the stake scene. Antonia Arland plays a monk who gives Joan a cross to hold as the flames mount. Dreyer's "Passion" was considered expensive and unfavorably compared to Abel Gance's "Napoleon," with its battle scenes and crowds of extras. Reviews were mixed; the public preferred "Napoleon."

The story of Joan goes back to the start of cinema history. George Méliès, the pioneer, directed the first "long" "Jeanne d'Arc" (1900) — 15 minutes, 12 scenes, hundreds of extras. Cecil B. De Mille's "Joan the Woman" (1917), was his first superproduction. Made in the shadow of World War I, it went easy on America's English allies.

It may seem curious that with so few films made on historical women, so many have been made on Joan of Arc. And directors have probably not finished with her. Joan exerts fascination because she is a subject for our time, too: an androgynous, stubborn, single-minded woman who heeded her own counsel and refused to be bullied. Yet in our age of heightened awareness, no woman director has investigated this original character or the mystery of what made her different — her voice, her virginity. The lady — for filming, for burning — has been left to men.

A Hollywood Boom For Foreign Actors

By Richard Natale

LOS ANGELES — The United States may be a land of immigrants, but its motion picture industry has not always been hospitable to foreign talent, save mainly for those born where English is the mother tongue. Victoria Abril's fate may be different.

If Barry Levinson's forthcoming film, "Jimmy Hollywood," in which the Spanish star (Pedro Almodóvar's "High Heels") portrays a Latin hairdresser, captures the public's fancy, she might wind up with an active American film career. It happened for the Italian actress Valeria Golino, after Levinson cast her as the love interest in "Rain Man."

Golino is an exception. Few foreign actors who come to Hollywood in search of riches and renown work here steadily or achieve the heights of international stardom of an Ingrid Bergman or a Marlene Dietrich.

In recent years, however, Hollywood has begun to tender a warmer welcome to foreigners. Foreign actors can attract foreign financing to make films. And once a film is released, foreign actors can attract audiences in overseas markets.

"Foreign revenue on a film has increased 100 percent over the past three years," said the producer Albert Ruddy, whose credits include "The Godfather." "If you got 25 percent of your money from foreign eight years ago, you were doing very well. Now it's at least 50 percent. So if you can pick an actor like Gérard Depardieu or Lena Olin who means something in the foreign market, their involvement can cover half the budget in some cases."

And as more films rely on international financing, the decade-long trend toward using foreign-born actors in American films accelerates; the roster of names lengthens: Arnold Schwarzenegger (Austria), Depardieu (France), Rutger Hauer (The Netherlands), Jean-Claude Van Damme (Belgium), Golino (Italy), Antonio Banderas (Spain), Juliette Binoche (France), Anne Parillaud (France), Julie Delpy (France).

Some are not yet household names. Others, like Golino ("Rain Man"), the "Hot Shots" movies and the forthcoming "Clean Slate" and the Spanish actor Antonio Banderas ("The Mambo Kings," "Philadelphia") work regularly in Hollywood. They may soon join the ranks of foreign-born performers who have become international stars, like Olin of Sweden, Hauer, Isabella Rossellini of Italy, and especially Schwarzenegger and Van Damme.

The current openness is not Hollywood's first display of xenophilia. During the late 1950s and the 1970s, the industry briefly spiced films with international talent. And all along, there have been independent-minded directors, like Levinson and Sydney Pollack, who used cultural and language differences to enhance dramatic conflicts.

Pollack said he decided to cast Olin opposite Robert Redford in "Havana," "because I liked the combination of someone as American as Redford against a European sensibility. It brings a texture and a richness you can't get any other way. And it helps with the sense of conflict."

The role played by Golino opposite Tom Cruise in "Rain Man" was originally written for an American, she says. But after several meetings, the director "was starting to think if he had a foreigner in the role it would add something to the lack of communication between the character and her boyfriend," says Golino.

What makes Hollywood's current openness to foreign actors different, and probably more enduring, is more than economics, says David Schiff, an agent with United Talent. "In some ways the world has shrunk, and cultural barriers have diminished. So audiences are better equipped to accept a more foreign flavor in American films."

In contrast to the past, when the studios cast Anthony Quinn in the title role of "Zorba the Greek" or Meryl Streep as the Danish writer Isak Dinesen in "Out of Africa," Depardieu was given the lead, Columbus, in the international co-production "1492." Not even the failure of that film has deterred producers from tossing out an international casting net.

Among current films, for example, Olin is starring in "Romeo Is Bleeding." Depardieu is starring in "My Father the Hero" and Delpy is starring in the forthcoming "Killing Zoe" and "Younger and Younger."

FLUENCY in English helps. English helped Abril win her first Hollywood assignment, she says. Levinson hired her after watching her performance in Almodóvar's "Kika," the director's first film in English.

The Dutch-born Maruschka Detmers, whose credits include "The Mambo Kings," speaks seven languages, which makes her an asset not only in American films, but also in the increasing number of European productions shot in English, said her agent.

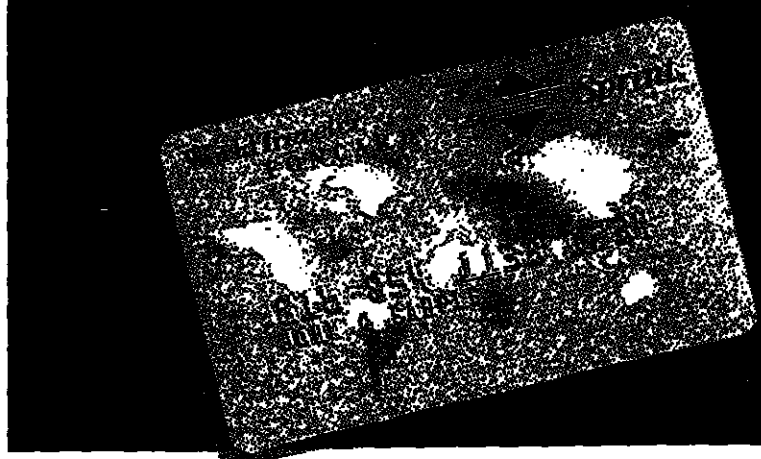
But accents are no hindrance, as proved by Schwarzenegger. Similarly, Hauer, who starred in "Blade Runner," among other films, is rarely referred to as a Dutch actor. Olin's national origins were never even explored in "Mr. Jones," in which she portrays a West Coast-based psychiatrist. Nor were Rossellini's as Jeff Bridges' wife in "Fearless."

Golino of the "Hot Shots" films has had her greatest success in the title role of "Zorba the Greek," the comedy. "In comedies it's easier to get away with being a foreigner, because you don't often have to explain why the character speaks with an accent," she says. "In dramas the characters have more of a past or a history."

Not all foreign-born actors are looking for a Hollywood career, but a high profile in American movies can enhance an actor's value around the world. It's a snowball effect: the more work actors get in American films, the more recognizable abroad their names become, and the better their access to strong roles in foreign productions.

Richard Natale, who writes a nationally syndicated column on entertainment for L.A. Weekly, wrote this for The New York Times.

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Me'Shell: Debut on Madonna Label

By Mike Zwerin
International Herald Tribune

PARIS — NdegeOcello means "free like a bird" in Swahili. I don't know what Me'Shell means, but she was born with it in Berlin. Me'Shell is the first woman signed to Madonna's Maverick record label. The band may be under her name but Me'Shell looks and acts like one of the boys (she's 24). Presenting her persona, she can take care of herself. What's happening here is obviously more than mere promo. She's not programmed yet. She looks for two-way communication even in interviews.

She said she has been traveling too much lately and the only thing she has had time to learn is "airport lingo," not a very interesting subject. When I suggested that it might make a song, she asked me, "Do you like to travel?" I said, "I like to be in other places. I just don't like getting there." She thought about it. "Yeah, I like that too."

On stage, she's not choreographed. She leaps around and jumps up and down because it's fun. Not exactly a sex symbol, she is nevertheless attractive because of who she is rather than what she looks like. And the more

you look the better she looks. Having signed Me'Shell makes you like Madonna.

Her music is a polished, bubbling blend of the elements of contemporary African music, a pop music — with Steely Dan-like keyboard chords topping the funk of it all. The ghost of Miles Davis hovers. Such elegant textural sparseness would never be commercial without his trailblazing.

"Plantation Lullabies," her debut album, deals with the emotional and racial aspects of America on the verge of the millennium. It's more melodic than pop but there's plenty of rapper "flow." She compares her storytelling style to that of the griot, African oral historians. Me'Shell wrote and arranged it all. "It's not too bad considering I'm self-taught," she says, "but I've been learning a lot from the guys in my band. They're all from Berkeley, they're monsters."

She grew up in a "war zone" in Washington. She knew she had to change her life when her instinctive reaction to the splashing of blood from a nightclub altercation was to get upset about her stained sweater.

She was "always alone, turning into a very dark person. I got tired of being angry." She joined a Muslim sect and changed her name in order to "leave the old Me'Shell behind and

create a more positive one." She started to read books, and she wrote "poetry, stories, lyrics, whatever" in a series of diaries. She attended the Duke Ellington School of the Arts, and then Howard University.

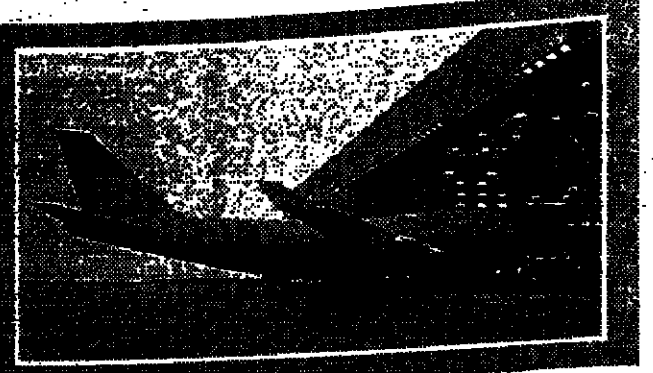
Her father, a musician in a U.S. Army band, bought her a bass. Moving to New York, she started to work because every band needs a bass player, a female bass player attracts attention and most of all because she learned fast. Meanwhile, her demo tape making the rounds was repeatedly turned down for more than three years and so she scrubbed floors and went to barber college before the tape reached Madonna.

The Maverick people came to hear her on a Thursday. The following Monday she was in Los Angeles. Two weeks later she was signed. Now she lives in L.A. with her 4-year-old son in a little house with a lemon tree in the yard. Sooner or later the question had to be asked: "What's she like?"

A group of Italian journalists were waiting their turn in the lobby, humming with guests. A record-company minor edged her way through the crowd to deliver a hot salmon to Madonna. Me'Shell's face lit up. "Oh," she replied. "We don't answer Madonna's questions around here."



WORLD-CLASS WALES



THE START OF A GLOBAL LINKUP

The availability of labor and the overall skill base are as important a part of infrastructure as good communications and logistics. Many of the companies setting up in Wales with the assistance of the Welsh Development Agency were surprised to find an unusually high degree of quality within the skill base and excellent road, air and rail links with the rest of Britain and Europe.

South Wales is connected to London and the southeast by the M4 highway corridor. The A55 expressway in North Wales joins highway networks leading to Liverpool, Manchester and the Midlands. Central London is about a three-and-a-half-hour drive from Cardiff, and Heathrow is about two-and-a-half hours away. The rail link takes under two hours, and there is easy access to the channel ports on the east and south coasts. There is also easy access to Manchester and Birmingham airports and to Gatwick in the south via the M4 and M25 London orbital highway.

Cardiff's own airport offers services to other British cities as well as to many European destinations direct or via Heathrow. Flight times to Brussels, Amsterdam and Paris are all under two hours.

Road-freight times from North or South Wales meet most manufacturers' needs. Stuttgart, for example, can be reached in two days.

Barcelona in three-and-a-half days and Rome in five days.

The German company Robert Bosch built its Cardiff plant adjacent to the M4 highway. Infrastructure and logistical availability were two of the deciding factors for Robert Bosch. "Connections with Europe are excellent from here," says Gerhard Turner, commercial director. "Basically, in two days we can send everything to wherever it should be in Europe."

Infrastructure also influenced substantial investment decisions by British

A terrific infrastructure and a large greenfield site...

Airways, which is completing two brand-new maintenance and repair divisions in South Wales.

British Airways has invested more than \$100 million in a new dedicated maintenance plant for one of the world's most successful jet liners, the Boeing 747. The plant is in the final stages of completion on a site close to Cardiff's airport, just off the M4 highway. It contains three bays for servicing 747s, of which there are about 1,000 in operation around the world. The plant is managed and run by British Airways Maintenance Cardiff (BAMC), a wholly owned subsidiary of British Airways. It opened for business last year, and the third

and last servicing bay is almost ready for operation. The whole 72-acre (29-hectare) complex will be fully operational by next September and will employ about 1,000 persons.

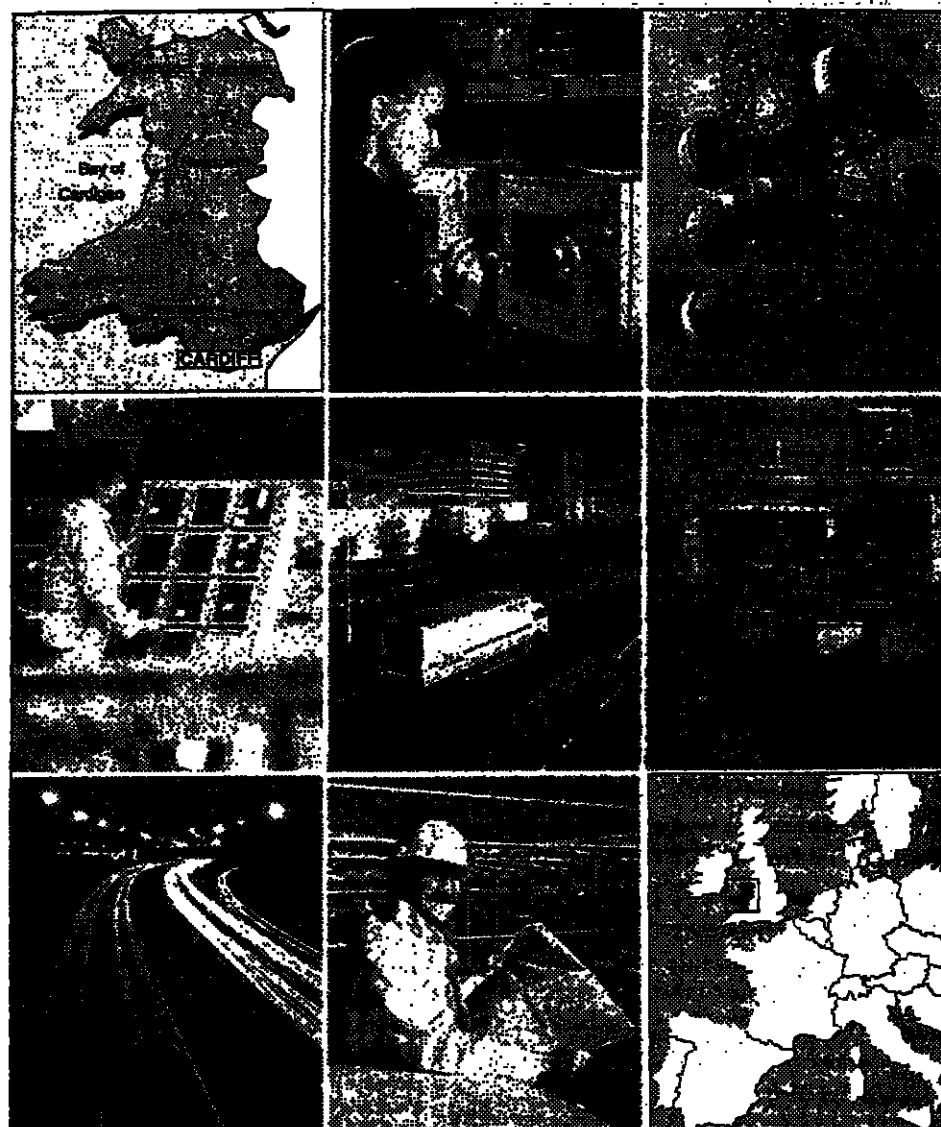
Giving the principle reasons for choosing the Cardiff area, Alan McDonald, director and general manager of BAMC, says unequivocally: "It was the terrific infrastructure and a large greenfield site which gave us the opportunity to introduce modern working methods."

Other important factors were the recruitment potential, local training facilities, logistics and a certain amount of regional financial assistance.

"There is also a large pool of qualified people in the area, including ex-miners and ex-steelworkers, with a host of industrial engineering experience," says Mr. McDonald, adding that the nearby Barry College played a key role in providing training facilities. BAMC is now working in partnership with the college to enhance its aviation training center.

"I think one of the biggest bonuses was the 'greenfield opportunity' to introduce new management philosophies," says Mr. McDonald. Many companies moving into Wales brought new management practices with them, and these had already been accepted locally.

"This has given us an opportunity to experiment in a technical sense - to bring in a production-line



The secret of Wales: position, communication, logistics and a skilled labor force.

philosophy for maintenance, which implies total quality control," says Mr. McDonald, who runs a "minimum-status" work team. Every employee, whether manager or line technician, wears the same white overalls. Teamwork is

a must, as is total flexibility. Every three months, every support employee in BAMC works in the hangar and actually carries out tasks on an aircraft under supervision. "This includes everyone," says Mr. McDonald. "It ensures that all company

members remain fully aware of what this business is focused on."

BA has run out of space for aircraft maintenance at Heathrow. As its fleet expands, more 747s will be coming to Cardiff, which will be able to handle 75

aircraft a year, with responsibilities ranging from regular service checks to more sophisticated services that involve almost rebuilding the complete aircraft.

A few miles along the M4 is BA's new avionics plant, part of which is still under construction. British Airways Avionic Engineering Ltd. (BAAE) at Pontyclun will be the airline's service center for electronic equipment fitted to its aircraft. All BA's existing avionics facilities at Heathrow are currently being relocated to the new site, and the full move will

be completed by October 1994.

Paul Kelly, director and general manager of BAAE, says that room to expand and a location less than three hours from Heathrow were important factors in the decision to come to Wales. BAAE services all electrical and electronic equipment, from a modern jet carrier, from coffee-makers to the latest navigation systems. The plant not only services BA's fleet, but is also seeking more business from other airlines looking for quality service - from Wales.

CENTERS OF EXPERTISE

Welsh-based industry has a good record of collaboration with academic and special research institutions.

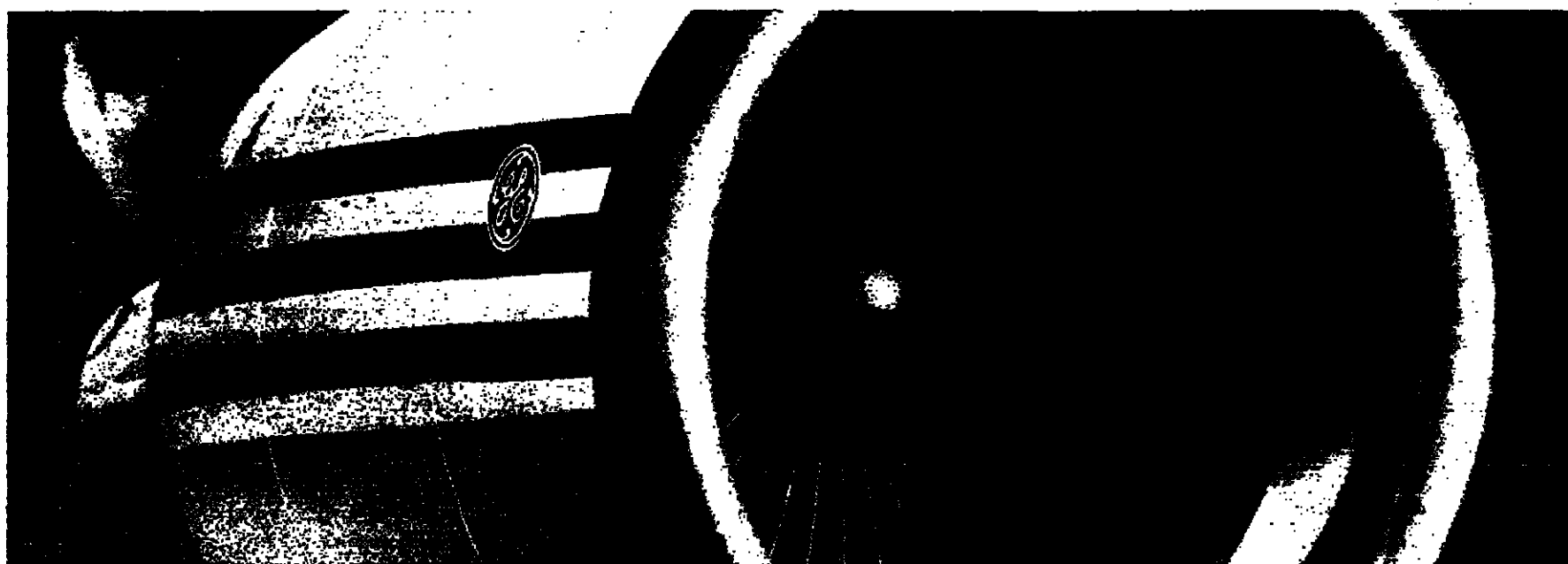
Both the University of Wales and the University of Glamorgan provide tailor-made training and support. A network of specialized centers of excellence is also available to help new companies. These include the Electronics Materials Center, the Polymer and Composites Center and the Institute for Industrial Information Technology at University of Wales, Swansea; the Japanese Studies Center and the

Semiconductor and Micro-electronics Center at the University College, Cardiff; the Biocomposites Center and the Communication and Information-Systems Engineering Center at University College Bangor, North Wales; and the Advanced Manufacturing and Business Industrial Technology Center at Ebbw Vale College, Gwent.

Under Welsh Office direction, there is also a network of seven Training and Enterprise Councils (TECs), which collaborate with the Welsh Development Agency to help ensure a long-term supply of key skills for inward investors.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Michael Frenchman, a London-based free-lance writer. The next issue on Wales will be published on March 2, 1994.

TWO GIANTS.



ONE DRAGON.

These days the Welsh Dragon is a real high flyer since two international giants of the aero-engineering industry chose Wales.

British Airways has its new engineering base at Cardiff Airport and recently General Electric (USA) has moved to nearby Nantgarw, where they service aircraft engines for famous names like CFM, Rolls Royce and Pratt & Whitney.

With more than a little help from the Welsh Development Agency, both companies were not merely able to find the right site, but also the right people from Wales' skilled and flexible workforce.

The WDA has also assisted in the development of a local supplier infrastructure to ensure vital components are always at hand.

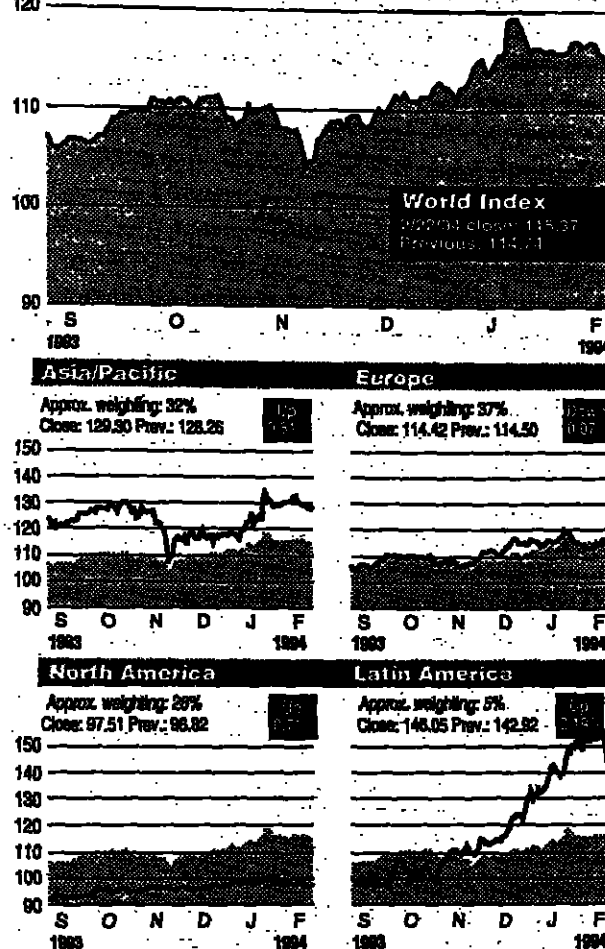
To get your business off the ground, put the Welsh Advantage to your advantage. Call the team at Welsh Development International on +44 222 666862, or write to Welsh Development International, Welsh Development Agency, Pearl House, Greyfriars Road, Cardiff CF1 3XX.



THE WELSH ADVANTAGE

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Index	Close	Prev.	% Change	Index	Close	Prev.	% Change
Energy	114.51	113.71	+0.79	Capital Goods	113.86	113.16	+0.62
Utilities	125.99	125.06	+0.93	Raw Materials	120.18	119.20	+0.82
Finance	119.86	118.55	+1.31	Consumer Goods	100.30	100.16	+0.14
Services	124.18	122.86	+1.07	Manufacturing	129.81	129.34	+0.36

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92021 Neuilly Cedex, France.

Unilever Plans Cut In Jobs

Restructuring And Lower Profit Surprise Market

LONDON — Unilever Group stunned market analysts Tuesday by taking a \$490 million (\$723 million) charge against 1993 earnings to pay for a restructuring plan that includes cutting 7,500 jobs from its work force of 294,000.

The charge is fundamentally a good move, but it is a cold shower, said Bank Leu analyst, an analyst with Amersfoort NV, adding that it would lower the rating on Unilever to a "hold" for the short to medium term but leave its long-term recommendation as a "buy."

The British-Dutch consumer-goods conglomerate said 1993 pretax profit was \$1.94 billion after the charge, down 4 percent from 1992. Earnings would have risen 11 percent if the company hadn't taken the charge.

In guidance, net profit including the charge fell 9.8 percent, to 3.61 billion (\$2 billion). Profit would have been up 2.8 percent without the restructuring.

Unilever said the cost-cutting should result in annual savings of 665 million guilders. About 40 percent of the job reductions will relate to management and administrative posts, it said.

Unilever PLC's American depositary receipts fell \$2.375 to \$69.125 on the New York Stock Exchange, while shares of Unilever NV lost \$1.125 to \$115.25.

David Atkinson, an analyst with NatWest Securities, said the fall reflected "shock at the size of the restructuring charge and disappointment at the results."

Sir Michael Perry, chairman of Unilever, said the job cuts would be spread across Europe and North America.

He said the company would focus on markets outside North America and Europe for growth potential in 1994.

(APX, Bloomberg, Reuters)

Asia's High-Flying Market

Demand for Airliners Is Expected to Soar

By Michael Richardson
International Herald Tribune

SINGAPORE — As rapid economic growth and industrialization in the Asia-Pacific region spur demand for jetliners, the ambitions of Asian countries for a greater stake in the aerospace industry are rising.

As a result, Western firms find that they must increasingly share work and technology or risk losing sales.

The Asia-Pacific area has become "the fastest-growing market for aircraft, aerospace equipment and services," said Lee Hsien Loong, Singapore's deputy prime minister. "Major aerospace companies have turned to this region to participate in the growth and to service their clients."

Mr. Lee spoke Tuesday at the opening of the Asian Aerospace show, at which 930 firms are vying for business. The show, which is held every two years, ends Sunday.

When Boeing Commercial Airplane Group, a unit of Boeing Co. of the United States, rolls out its new-generation 777 jet in April, it will contain more Asia-Pacific components than any previous widebody commercial aircraft.

About one-quarter of the 777's airframe, measured by value, is being manufactured by companies in Japan, Australia, Singapore or South Korea under a program that already has been worth \$2 billion to \$3 billion to these suppliers.

That figure will increase if, as expected, additional firm orders are placed for the twin-engine jet when it starts service in 1995.

To promote sales of their aircraft and head off the possibility of a rival pan-Asian airframe manu-

facturer, analysts said. Western companies would have to offer even more generous work-sharing and technology-transfer deals to Asian aerospace companies in the future.

Japan, China, India, Indonesia, South Korea, Taiwan and Malaysia either have the capability to manufacture passenger jets or plan to do so in the near future.

South Korea's Daewoo Heavy Industries recently outlined plans to team with Aviation Industries of China, India's Hindustan Aeronautics and Korean Air Lines to form a consortium to raise \$1 billion and start building midsize passenger jets within five years.

Sixteen airlines on four continents have announced 147 firm orders and 108 options for the Boeing 777 family of jets. Asia-Pacific airlines make up close to 50 percent of that customer base. Asia has replaced Europe as the largest market for jetliners outside the United States. Boeing forecasts that between 1993 and 2010, Asian carriers will need some 3,000 aircraft, valued at about \$245 billion. That is more than 30 percent of the total world market for the period.

Richard R. Albrecht, Boeing's executive vice president, said that Western aircraft makers were extending their international manufacturing arrangements "because they make good business sense." He said that having partners in Asia and elsewhere helped cut costs, shared the heavy financial risk involved and improved the final product and its sales prospects.

For the foreign suppliers, such arrangements

See JETS, Page 19

Metallgesellschaft Still 'Defining' Core Businesses

By Brandon Mitchener
International Herald Tribune

FRANKFURT — The new leadership of Metallgesellschaft AG acknowledged Tuesday that it had no idea what the huge, diversified conglomerate would be like when the restructuring ordered by its creditors is completed in several years.

"There is no specific strategy for the Metallgesellschaft group," said Kajo Neukirchen, the chairman of the board, in a statement after his predecessor, Heinz Schimmelbusch, and most of the board members were fired over enormous unexpected losses at a U.S. trading subsidiary in November.

"We are in the process of defining what our core businesses are," Mr. Neukirchen said as he asked reporters and financial analysts to "show mercy" as the company, Germany's 14th largest industrial group, is stripped down.

Analysts who used to praise Metallgesellschaft's efforts to diversify from its original focus on metals and mining have recently warned that the restructuring could leave the company strategically amputated.

Such is the web of activities that Metallgesellschaft comprises — more than 250 individual units with interests in mining, trading, engineering and financial services — that the process of distinguishing core from periphery could take months, Mr. Neukirchen said.

In the meantime, the company is paying its creditors 20 million Deutsche marks (\$12 million) a month in interest on emergency credits and bracing its 43,000 employees for layoffs, the first of an array of actions aimed at restoring profitability and paying off debt.

Metallgesellschaft has summoned shareholders to an extraordinary meeting Thursday to seek approval for the restructuring and debt rescheduling program worked out by the company and its major international creditors in January.

One change that shareholders and analysts alike are likely to applaud is the company's decision to

abandon the oil futures trading that cost it 2.3 billion DM — activities that Mr. Neukirchen derided as "pure speculation."

The problem was discovered when Metallgesellschaft Corp., a U.S. subsidiary, ran short of cash to meet margin calls at the New York Mercantile Exchange and asked banks for an emergency loan.

Even before the oil futures fiasco, however, Metallgesellschaft had amassed pretax losses of 1.1 billion DM, and Mr. Neukirchen said the new board would act quickly and decisively to identify and isolate the sources.

Sales of stakes in subsidiaries including Metallgesellschaft AG in Canada and Kolbenschmidt AG in Germany are expected to raise about 1 billion DM in the short term, he said.

The company previously named several large subsidiaries that it said would not be sold, including Lurgi AG, Buderus AG and Dynamit Nobel AG.

Gerson Mertens, Metallgesellschaft's chief financial officer, also said the company would not rule out selling its 55 percent stake in its prominent Frankfurt headquarters, the rest of which is owned by German banks.

The main strategic change in the new Metallgesellschaft, Mr. Neukirchen said, would be the "medium-term" creation of a holding structure in which the company's remaining operational units were spun off as wholly owned subsidiaries.

Swatch Finds Car Partner
Mercedes-Benz AG, the German luxury carmaker, plans to develop a small, environmentally friendly car nicknamed the Swatchmobile along with the Swiss watchmaker SMH AG. Reuters reported from Bonn.

The announcement ended more than a year of speculation about what partner SMH would choose, after Volkswagen AG withdrew from the project early last year.

SMH has said that the car would be ready in 1996 and cost around \$10,000.

EU Warns U.S. Film Distributor

By Richard W. Stevenson
New York Times Service

LONDON — The United States and Europe appeared headed toward a new confrontation over the film industry after a dispute broke out Tuesday between the European Union and United International Pictures, the film-distribution company owned by three large Hollywood studios.

João de Deus Pinheiro, the European Union commissioner for audiovisual issues, said in Brussels that United International should be denied an extension of an anti-trust waiver that allows the three studios — Paramount, Universal and MGM — to distribute their films to theaters in Europe through a single organization. MGM is con-

trolled by Credit Lyonnais, the French state-owned bank.

[Also on Tuesday, Mr. Deus Pinheiro warned Britain that if it continued to allow Turner Network Television broadcasts, it may find itself facing its European Union partners in court. The Associated Press reported from Brussels. He said TNT, owned by Ted Turner, should not be allowed to broadcast in the EU because it did not comply with EU rules that more than half of a broadcaster's program content must be produced in the European Union. Sports and news broadcasts are exempt.]

Mr. Deus Pinheiro said United International had acted in a way that impeded competition, for example by forcing theaters to take a package of less popular movies to

be able to show a hit such as Universal's "Jurassic Park." United International denied the allegation.

Mr. Deus Pinheiro said he was not trying to limit distribution of American-made movies but said United, one of the two largest U.S. film distributors in Europe, might be impeding the growth of the European film industry.

He said he would recommend to the European Commission, the bloc's policy-making body, that the anti-trust waiver, which was granted in 1989 and technically expired last year, be revoked when it takes up the issue this summer.

If the waiver is revoked, that could jeopardize United International and greatly increase the cost to the three studios of distributing their movies in Europe.

MEDIA MARKETS

Dim Future for GIs' Journal

New York Times Service

WASHINGTON — World War II veterans of the military newspaper Stars and Stripes reminisce about filing stories as shells exploded overhead. Although today's staff members do not have to worry as much about life and limb, Stars and Stripes itself seems under siege.

By the time of the Gulf War in 1991, more than half of the newspaper's correspondents were civilians, and many American soldiers no longer saw the daily Stars and Stripes as their primary source of news.

Today, as the newspaper tries to maintain a journalistic spirit, its financial picture is cloudy. Military cutbacks have pulled thousands of U.S. troops and their families from Europe, effectively eliminating a large pool of readers.

Meanwhile, many troops can find other sources of American news, from USA Today and the International Herald Tribune to newsmagazines and CNN.

"We're struggling," says Ben Zovistowski, an editor of the European edition of Stars and Stripes. "Two-thirds of our customer base has withdrawn from Europe in the past few years."

The newspaper was founded during World War I to provide a daily, hometown-style newspa-

per to American troops serving in Europe. It was shut down after the war but reborn during World War II, when its staff included young soldiers with a passion for journalism, such as Bill Mauldin, the cartoonist, and Andy Rooney, now a television commentator. The circulation of the newspa-

'We're struggling. Two-thirds of our customer base has withdrawn from Europe in the past few years.'

per was about 500,000 during World War II, when it had 25 editions. Today, there are two editions: the European, with a circulation of 59,000, and the Pacific, with about 32,000.

Stars and Stripes, which is owned by the Department of Defense, has always been financially self-sufficient, but 85 percent of its revenue comes from bookstore operations at military post exchanges.

In 1993, Congress passed a law

requiring the newspaper to turn over the bookstore business by next fall to the Army and Air Force Exchange Service, which runs the post exchanges.

Without the bookstores, the paper's two editions expect to lose more than \$8 million, on combined revenues of \$22.9 million, in the year beginning Aug. 1.

What is the future of a newspaper whose circulation and funds are withering?

"That's the question of the day," said Lieutenant Commander Ken Patterson, deputy commander for operations of the Pacific edition.

At the European operation, the number of newspaper workers has been halved since the Gulf War. There are now 61 reporters, editors and photographers. "We'll go over the edge if we have to cut more," Mr. Zovistowski said.

While many factors are contributing to a sense of drift at Stars and Stripes, an overriding concern is that the newspaper may no longer be unique.

Bill Hogan, a Stars and Stripes reporter during World War II and later cultural editor of the San Francisco Chronicle, said, "Why, we've got Time, Newsweek and other daily newspapers serving the same purposes."

Moscow Struggling On Budget

Reuters

VIENNA — Russia faces "huge, enormous, looming problems" in drafting its 1994 budget and will have to resort to measures such as gold sales to meet its obligations, the head of the central bank, Viktor V. Gerashchenko, said Tuesday.

Mr. Gerashchenko said at a briefing in Vienna that Russia would not be able to keep its 1994 deficit below a range of \$40 billion to \$45 billion.

"The drafting of the budget is in a very bad situation," Mr. Gerashchenko said. He said the government would be compelled to sell gold to finance its deficit.

He also said it was time to promote a market for Treasury bills as an instrument for debt financing.

Mr. Gerashchenko was reluctant to make a forecast on inflation with the budget issue still unsettled. Prices rose 22 percent in January from December.

Mr. Gerashchenko has been invited by the Group of Seven leading industrial nations, along with the acting finance minister, Sergei Dubinin, and the economics minister, Alexander N. Shokhin, to a meeting in Germany on Saturday.

The seven nations will seek assurances that Russia is taking steps to avoid hyperinflation and to continue economic reform.

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CURRENCY & INTEREST RATES

Cross Rates										Swiss Franc	
	S	D.M.	P.F.	B.F.	S.F.	Yen	C	Peso			
London	1.58	2.46	1.33	1.50	1.33	1.42	1.33		Dollar	D-Mark	
Paris	1.36	2.05	1.33	1.50	1.33	1.42	1.33				
Frankfurt	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Switzerland	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
London (a)	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Japan	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
South Africa	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Canada	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Italy	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
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Sweden	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Denmark	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
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Turkey	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
Israel	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
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Turkey	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
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India	1.33	2.05	1.33	1.50	1.33	1.42	1.33				
China	1.33	2.05	1.33</								

MARKET DIARY

Greenspan Speaks, Stocks End Higher

Compiled by Our Staff From Dispatches

NEW YORK — Wall Street was cheered Tuesday by remarks from the Federal Reserve Board chairman, Alan Greenspan, who said inflation was not likely to heat up as the economy expanded.

In one of his semiannual appearances before Congress, Mr. Greenspan said the outlook for the economy was "the best we have seen in decades," with inflation subdued and long-term interest rates low.

The Dow Jones industrial average rose 24.20 points to close at 3,911.66. Gainers edged losers by a 9-to-8 ratio on the New York Stock Exchange, with trading relatively light at 220 million shares.

The rally was tempered by lingering concern that interest rates are bound to move higher this year, given the pace of economic growth.

"People are optimistic the Fed's doing the right thing, but they're not jumping in with both feet," said Dale Tills, manager of institutional equities trading at Charles Schwab & Co. in San Francisco. "It's fairly clear that rates will, at best, stay where they are now. Most likely, they'll inch their way up."

But prospects for rate increases to be slow and steady rather than in

uninvited spurts and for inflation to remain subdued helped Treasury bond prices recover from a week-long slide.

The price of the benchmark 30-year Treasury bond rose 24/32, to 95 16/32, with the yield slipping to 6.50 percent from 6.62 percent Friday. U.S. markets were closed on Monday for Presidents' Day.

Beverly Enterprises rose 1/4 to 14 1/4 in active trading. The nursing-home operator is in talks that may lead to its purchase by Columbia HCA.

Healthcare Corp. Columbia rose 1/4 to 42 1/2, also boosted by a buy recommendation from Merrill Lynch.

British Petroleum's American depositary receipts topped the New York Stock Exchange's active list, jumping 1/4 to 64 1/4 after news that a well in Papua New Guinea had shown evidence of oil and gas deposits.

Telefonos de Mexico SA's American depositary receipts were the second most actively traded issue on the Big Board, falling 1/4 to 69 1/4 in step with a slide in the Mexican stock market Monday.

Merck lost 1/4 to 32 1/2 in active trading. The drug maker recently told analysts its acquisition of Medco Containment Services would shrink profit margins.

(Bloomberg, Knight-Ridder, AP)

Dollar Heads Lower Despite Rate Warning

Compiled by Our Staff From Dispatches

NEW YORK — The dollar settled lower on Tuesday even though the Federal Reserve Board chairman, Alan Greenspan, warned that U.S. short-term interest rates were "more likely to rise than fall."

The dollar closed at 1.7336 Deutsche marks in New York, off from 1.7304 DM on Monday in London, when U.S. markets were closed for a holiday. The U.S. currency also finished at 105.545 yen, off from 106.270 yen.

The market had been closely watching for signs from Mr. Greenspan's testimony about the possibility of another imminent rise in U.S. interest rates. But dealers said his remarks had been too vague to move the currency market.

Dealers said Mr. Greenspan's remarks hinted the Fed was not set to dramatically boost rates now and that short-term rates would rise only modestly. The Fed raised short-term rates Feb. 4, sparking a rally in the dollar.

The dollar was also pressed by news released Tuesday that the Conference Board's consumer con-

fidence index had fallen to 80.8 in February from a revised 82.6 in January.

In Bonn, Finance Minister Theo Waigel said Tuesday that the relationship between the dollar and the yen was not on the agenda of the Group of Seven meeting scheduled for Saturday, but he would not rule out that Washington and Tokyo would discuss it.

Against other currencies, the dollar rose to 1.4495 Swiss francs from 1.4449 francs Monday but slipped to 5.8825 French francs from 5.8825. The pound was quoted at \$1.4790.

(Knight-Ridder, Reuters, AP)

World Gold Demand Stays Near Record

Bloomberg Business News

LONDON — World gold demand in 1993 was close to 1992's record level even though prices rose about 20 percent, the World Gold Council said Tuesday.

Demand in the 22 countries monitored by the council, representing some 75 percent of world demand, was 2,431.8 metric tons last year, about 1 percent less than 1992's revised level of 2,459.0 tons.

Demand in developed countries rose 30 percent amid a surge in demand for gold as an investment, the

statement said. "In the developed markets, demand was resilient," Roger Murphy, regional manager of the council in London, said.

In contrast to explosive growth in the previous two years, China's gold consumption in 1993 fell 11 percent from 1992.

During the second half of the year, demand in China eased in response to a government austerity program aimed at cooling the overheating economy, the council said.

The Dow

Daily closing of the Dow Jones industrial average

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Dow Jones Averages

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INTERNATIONAL FUNDS

Questions supplied by funds listed. Not most value questions are supplied by the Funds listed with the exception of some quotes based on issue prices.

Feb. 22, 1994

[illegible]

"Which Way Are The Markets Moving?"

An IHT conference on
global fund
management,
March 23-24.
For details, fax
Brenda Hagerty at
(44-71) 836 0717.

For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

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REPRODUCED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

[illegible]

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

[illegible][illegible][illegible][illegible][illegible][illegible][illegible][illegible]

1 Month	High	Low	Stock	Div	Yld	P/E	Size	High	Low	Close	Chg
304	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
305	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
306	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
307	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
308	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
309	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
310	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
311	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
312	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
313	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
314	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
315	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
316	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
317	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
318	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
319	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
320	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
321	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
322	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
323	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
324	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
325	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
326	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
327	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
328	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
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331	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
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339	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
340	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
341	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
342	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
343	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
344	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
345	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
346	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
347	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
348	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
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356	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
357	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
358	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
359	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
360	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
361	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
362	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
363	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
364	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
365	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
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370	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
371	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
372	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
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381	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
382	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
383	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
384	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
385	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
386	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
387	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
388	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
389	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
390	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
391	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
392	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
393	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
394	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
395	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
396	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
397	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
398	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
399	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+
400	24	24	IBM Corp	.50	2.5	13	10	31 1/2	31 1/2	31 1/2	+

12 Month High Low Stock	Div	Yld	P/E	SP	High	Low	Lowest Crs
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EUROPE

Mannesmann Posts 'Clear' Loss for '93

Compiled by Our Staff From Dispatches

BONN — Mannesmann AG reported that sales for 1993 on Tuesday and said that it had suffered a "clear loss."

The industrial group did not provide profit figures. In 1992, the company had net profit of 63 million Deutsche marks (\$37 million), off 76 percent from its 1991 result.

The company said its sales held steady at 28 billion DM while orders totaled 27.9 billion DM in 1993, up 1 percent from 1992.

The company said its weak results in 1993 were due to the costs of restructuring, a decline in worldwide demand for investment equipment and the effects of exchange-rate fluctuations.

It said sales had been maintained by demand for portable telephones and a strong performance by foreign subsidiaries.

The company said the restructuring "had considerably burdened earnings" but "simultaneously created the conditions to significantly lower the break-even point and boost productivity."

It said the restructuring would help to increase the company's competitive position in 1994, but Mannesmann gave no indication of whether it expected to return to profit this year.

Mannesmann said its engineering and plant construction division, with sales of 12.5 billion DM, was profitable in 1993 but suffered a clear decline in earnings, largely because of weak profit in plant construction.

Mannesmann's telecommunications unit, which includes mobile phones, posted a sharp gain, as sales rose to 900 million DM from 140 million DM.

The automotive technology division's loss widened in 1993 because of reduced orders from the car industry and pressure on prices.

The company said that exports produced in Germany fell 5 percent, to 9.2 billion DM in 1993, but sales from its foreign plants rose 12 percent.

(Reuters, AFP)

Irish Group Wants More of Independent

The Associated Press

LONDON — An Irish newspaper group said Tuesday it had agreed to raise to 29.99 percent its stake in The Independent newspaper.

Dublin-based Independent Newspapers PLC, run by the Irish businessman Tony O'Reilly, said it would pay \$3.7 million (\$5.6 million) for an additional 5 percent of Newspaper Publishing PLC, parent of the Independent.

The deal requires that regulators give the O'Reilly group permission to exceed a 25-percent stake in Newspaper Publishing.

Mr. O'Reilly engineered the purchase of 24.99 percent of Newspaper Publishing on Feb. 4 for £3.50 a share, the same price he had agreed to pay for the additional stake.

Rival bids, led by the newspaper group formerly owned by the late Robert Maxwell, have by now put the same value on Newspaper Publishing's stock, although those bids have been a combination of cash and stock.

The former Maxwell company, Mirror Group Newspapers PLC, teamed up with two European newspapers that are already Newspaper Publishing shareholders — El Pais of Spain and La Repubblica of Italy — and executives including The Independent's founding editor, Andreas Whitman Smith.

"With these further purchases we have increased our stake in NP to a very significant level," said Liam Healy, chief executive of the Irish group. "We believe that this demonstrates our continued commitment to the company and is fully consistent with our determination to ensure the future success of its newspaper titles."

Steady Growth Seen for U.K. Panel Doubts the Need for Further Rate Cuts

Compiled by Our Staff From Dispatches

LONDON — Prospects for steady economic growth, despite tax increases scheduled for April, offer little reason for further interest-rate cuts, the Treasury's independent panel of advisers said Tuesday.

In their first report this year to the chancellor of the Exchequer, Kenneth Clarke, members of the panel known as the "six wise men" said that in the absence of a rally in sterling, which would make exports more expensive, "most of us see little reason for further cuts in interest rates."

The Bank of England signaled a quarter-point cut in Britain's base lending rate, to 5.25 percent, on Feb. 8, saying subdued inflationary pressures gave it room for the move. Many analysts said they expected a further cut to offset tax increases scheduled for April.

But the panel said consumers would probably sacrifice savings rather than cut spending and that disposable income would grow after accounting for inflation, making a further rate cut for economic stimulus purposes unnecessary.

But "the weakness of inflationary pressure" still gives the government scope to reduce interest rates if the recovery falters, the panel said.

It forecast that Britain's core inflation rate would stand near 2.9 percent in the fourth quarter of this year and rise to 3.1 percent by the fourth quarter of 1995.

The advisers predicted that the country's gross domestic product would rise by between 2.4 percent and 3.0 percent this year and 1.7 percent to 3.5 percent in 1995.

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SmithKline Earnings Rise On Sales of Newer Drugs

Compiled by Our Staff From Dispatches

LONDON — SmithKline Beecham PLC said Tuesday pretax profit rose 12 percent last year to £1.22 billion (\$1.8 billion), helped by an 18 percent increase in sales.

The British drug company said the results, which were within expectations, allowed it to raise its full-year dividend by 24 percent, to 10.9 pence a share.

"Our solid performance was fueled by the success of new products in all our businesses," said Robert P. Bauman, the company's chief executive.

Sales in 1993 were £6.4 billion, helped by weakness in sterling and strong demand for the four new drugs SmithKline has introduced since 1990. Sales of those drugs more than doubled last year to £463 million, the company said.

Sales of Relafen, an arthritis drug, increased 44 percent, the company said. Paxil, the No. 1 antidepressant in Britain, was introduced in the U.S. market, where sales reached \$135 million in the first 10 months of the year.

Sales of Kytrel, a nausea drug for cancer patients, and Havrix, a hepatitis vaccine, also advanced.

But sales of the anti-ulcer drug Tagamet, the company's best-selling prescription drug, dropped 6 percent. The patent for the drug will expire in May, freeing U.S. generic-drug producers to market their own versions.

Also on Tuesday, Thorn EMI PLC, a music publisher and electrical rental company, said its pretax profit climbed 2.5 percent to £251.1 million in the first nine months of its financial year.

Profit got a lift from increased sales in its music division, the company said. The results include a one-time charge of £20.3 million for the sale of some operations.

Thorn also said that a government investigation had cleared its U.S. Rent-a-Center unit of allegations of overcharging customers renting furniture and appliances.

(Bloomberg, Reuters)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2400	2500	2400
2300	2400	2300
2200	2300	2200
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Very briefly:

- Svenska Handelsbanken AB reported an operating profit of 1.92 billion kronor (\$241 million) for 1993, after a loss of 840 million kronor for 1992.
- Volkswagen AG workers at an assembly plant in Belgium have gone on strike to protest firings of two colleagues.
- Philips Kommunikations Industrie AG, a German unit of Philips NV, said it planned to shed 800 jobs in addition to a previously announced 900 job cuts, bringing the work force down to 3,100 by 1995.
- Germany's trade balance showed a surplus of 8.5 billion Deutsche marks (\$4.9 billion) in December, up from 8.2 billion DM in November.
- France tripled its trade surplus to a record 87.26 billion francs (\$14.9 billion) in 1993. The 1992 surplus was 30.9 billion francs.
- Belgium set the price for the sale of Société Nationale d'Investissement, which holds 50 percent of Desirguez SA, to Ackermans & Van Haaren NV at 19.04 billion Belgian francs (\$334 million).
- The European Union's combined industrial output fell 3.5 percent in 1993, the sharpest slide in nearly two decades. Industrial production plunged 4.1 percent in Japan in the same year, but U.S. production rose 4.2 percent.

Reuters, AFP, AP, Knight-Ridder

2 Groups Join in Italian Bid

Bloomberg Business News

MILAN — Omnitel SpA and Pronto Italia will join forces to bid for a license to run Italy's second cellular phone service, it was announced Tuesday.

The combined company will be owned 70 percent by Omnitel and 30 percent by Pronto Italia.

Ing. C. Olivetti SpA controls 51 percent of Omnitel. The rest is split among Bell Atlantic, with 16.6 percent; Cellular Communications International Inc., with 14.7 percent; Lehman Brothers, with 8 percent; and Sweden's Telia, with 9.7 percent.

Pronto Italia is led by Pacific Telesis Corp. of the United States and includes several Italian banks. The merger narrows the field of bidders to two.

The other group is Unitel SpA, put together by Fiat SpA, the media group Fininvest SpA, the British cellular operator Vodafone PLC and Italy's state energy holding company Ente Nazionale Idroelettrico.

Both groups are bidding to provide competition to the existing service, run by the state telephone group SIP SpA, which reports having more than a million customers.

Protests Mar Fiat Pact With Union

Reuters

ROME — Wildcat strikes and protests on Tuesday greeted an agreement between unions and Fiat SpA to cut some 16,500 jobs, clouding the chances of a final deal being signed by a weekend deadline.

About 300 workers from Fiat's Avio car plant blocked Milan's central train station, and employees from its Sesto Pomigliano works denounced the plan to cut 7,000 permanent and 9,500 temporary jobs as a sell-out.

Under the plan, the government will help pay for "social cushions," such as early retirement packages and enhanced layoff compensation, to help soften the blow. Fiat, Italy's biggest private company, had a loss of \$1 billion last year.

NOTICE TO THE SHAREHOLDERS OF DAIWA CAPITAL-L.C.F. EDMOND DE ROTHSCHILD INTERNATIONAL EQUITY FUND

20, Boulevard Emmanuel Servais
L-2535 LUXEMBOURG
R.C. B 28616

Notice is hereby given that the Annual General Meeting of the shareholders of DAIWA CAPITAL - L.C.F. EDMOND DE ROTHSCHILD INTERNATIONAL EQUITY FUND will be held at the registered office of the company on March 15th, 1994 at 12.00 noon.

AGENDA

1. Approval of the report of the Board of Directors and the report of the Auditor;
2. Approval of the financial statements for the year ending on December 31st, 1993;
3. Allocation of the net result;
4. Discharge of the outgoing Directors and the Auditor from their duties for the year ending on December 31st, 1993;
5. Appointment of the Agents of the company;
6. Re-election of the Directors;
7. Re-election of the Auditor;
8. Any other business.

Resolutions on the above-mentioned agenda will require no quorum and the resolutions will be passed by a simple majority of the shares present or represented at the meeting.

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month		Div	Yld	PE	100s	High	Low	Latest	Change
High	Low								

14%	11%	AAR	AS	37	53	57	10.	120	10.	%
38	25	ACE	Ln							


12 Month High Low Stock	Div	Yld	PE	S&P 100s	High	Low	Latest Close
1997-1998	2.00	4.4	17.1	1213	100	100	100
1998-1999	2.00	4.4	17.1	1213	100	100	100
1999-2000	2.00	4.4	17.1	1213	100	100	100
2000-2001	2.00	4.4	17.1	1213	100	100	100
2001-2002	2.00	4.4	17.1	1213	100	100	100
2002-2003	2.00	4.4	17.1	1213	100	100	100
2003-2004	2.00	4.4	17.1	1213	100	100	100
2004-2005	2.00	4.4	17.1	1213	100	100	100
2005-2006	2.00	4.4	17.1	1213	100	100	100
2006-2007	2.00	4.4	17.1	1213	100	100	100
2007-2008	2.00	4.4	17.1	1213	100	100	100
2008-2009	2.00	4.4	17.1	1213	100	100	100
2009-2010	2.00	4.4	17.1	1213	100	100	100
2010-2011	2.00	4.4	17.1	1213	100	100	100
2011-2012	2.00	4.4	17.1	1213	100	100	100
2012-2013	2.00	4.4	17.1	1213	100	100	100
2013-2014	2.00	4.4	17.1	1213	100	100	100
2014-2015	2.00	4.4	17.1	1213	100	100	100
2015-2016	2.00	4.4	17.1	1213	100	100	100
2016-2017	2.00	4.4	17.1	1213	100	100	100
2017-2018	2.00	4.4	17.1	1213	100	100	100
2018-2019	2.00	4.4	17.1	1213	100	100	100
2019-2020	2.00	4.4	17.1	1213	100	100	100
2020-2021	2.00	4.4	17.1	1213	100	100	100
2021-2022	2.00	4.4	17.1	1213	100	100	100
2022-2023	2.00	4.4	17.1	1213	100	100	100
2023-2024	2.00	4.4	17.1	1213	100	100	100
2024-2025	2.00	4.4	17.1	1213	100	100	100
2025-2026	2.00	4.4	17.1	1213	100	100	100
2026-2027	2.00	4.4	17.1	1213	100	100	100
2027-2028	2.00	4.4	17.1	1213	100	100	100
2028-2029	2.00	4.4	17.1	1213	100	100	100
2029-2030	2.00	4.4	17.1	1213	100	100	100
2030-2031	2.00	4.4	17.1	1213	100	100	100
2031-2032	2.00	4.4	17.1	1213	100	100	100
2032-2033	2.00	4.4	17.1	1213	100	100	100
2033-2034	2.00	4.4	17.1	1213	100	100	100
2034-2035	2.00	4.4	17.1	1213	100	100	100
2035-2036	2.00	4.4	17.1	1213	100	100	100
2036-2037	2.00	4.4	17.1	1213	100	100	100
2037-2038	2.00	4.4	17.1	1213	100	100	100
2038-2039	2.00	4.4	17.1	1213	100	100	100
2039-2040	2.00	4.4	17.1	1213	100	100	100
2040-2041	2.00	4.4	17.1	1213	100	100	100
2041-2042	2.00	4.4	17.1	1213	100	100	100
2042-2043	2.00	4.4	17.1	1213	100	100	100

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Month	High	Low	Stock	Div	Yld Pct	1980	High	Low	Latest	CY82
Jan	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Feb	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Mar	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Apr	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
May	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Jun	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Jul	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Aug	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Sep	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Oct	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Nov	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00
Dec	10.00	9.50	100	1.00	10.00	10.00	10.00	9.50	10.00	10.00

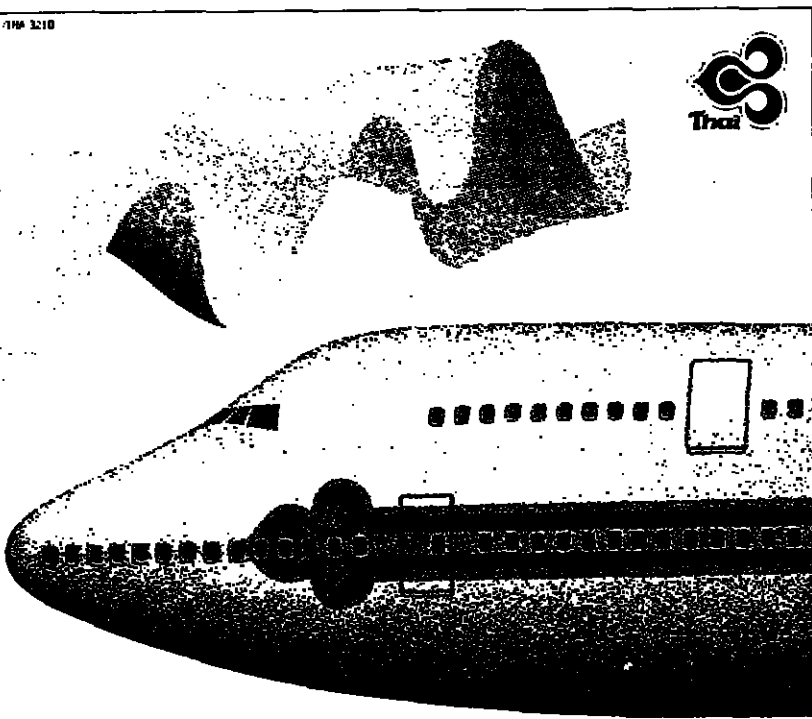
[The following text is extremely faint and largely illegible due to extreme blurring and low contrast. It appears to be a dense block of text, possibly a list or index, spanning multiple columns.]

一、本會定於陽曆九月一日（即農曆七月廿七日）在
 本會禮堂舉行籌備會，屆時請各董事、職員、及
 各分會代表出席，共商一切。此致各分會代表。



Smooth as silk from Pa
Royal Orchid Service

is to Bangkok every day.
non-stop every flight.

[illegible][illegible]

***Smooth as silk from Paris to Bangkok every day.
Royal Orchid Service non-stop every flight.***

***Four non-stop**

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Continued on Page 19

Tokyo Executive In Cellular Phone Rift Cries Foul

the worsening economic climate in Japan, part of NLF's approximately 340 billion yen in loan receivables now appear to be uncollectable." The company said it would give 80 billion yen outright to NLF to cover the expected loan losses. It will make NLF a 100 billion yen loan to reduce its interest expense, and NLF will further raise 40 billion yen by selling stock.

The parent is also spending staff to improve NLF's capability in administering and collecting receivables.

NLF was established in March 1992 to administer the collect loans receivable transferred from another Matsushita subsidiary, National Leasing Co.

Matsushita said the 80 billion yen grant would be treated as a nonrecurring loss for gross profit and the recording of a nonrecurring loss in parent company in the current financial year. It will balance this amount from the sale of portfolio stocks and the sale to subsidiaries of certain fixed assets that are now leased to these subsidiaries.

(AP, Bloomberg, AFN)

As Mr. Tsukada tells it, there is no plot to keep Motorola out of the Japanese market. In 1987, Japan's government decided to allow one company in each market to compete in cellular telephone service with Nippon Telegraph & Telephone Corp., Japan's main phone company.

IDO won the franchise for the heavily populated corridor from Tokyo to Nagoya. It decided to build its system using technology developed by NT&T. Mr. Tsukada said, not to block Motorola but simply because the NT&T technology already had a proven track record in Japan. DDI Corp., which won the franchise for the rest of Japan, chose Motorola's technology.

Still, the United States complained that it was unfair that the Motorola system was not being used in the highly populated corridor. In 1989, the cellular phone trade accord was signed to open the Tokyo-Nagoya market to Motorola. IDC was persuaded by Japan's government to build a second system using the Motorola technology.

IDO could not afford to build two systems, Mr. Tsukada said. So it put more emphasis on the NT&T system, not to block Motorola but simply because it had started on the NT&T system first and needed to build it up quickly so it could compete. The result is that today, IDO has about 310,000 customers for its NT&T-compatible system and only a few more than 10,000 for the Motorola system.

Even Motorola executives say IDO was saddled somewhat against its will with the franchise for the Motorola technology. But that has not stopped Motorola, based in Schaumburg, Illinois, from complaining that IDO has dragged its feet in building the system.

Indeed, Motorola's main building in Tokyo has been splattered with graffiti in the last day or so, with such slogans as "Crush the hard-selling diplomacy of U.S. imperialists" painted on the walls.

Aerospace Companies

ensure the highest quality products
at the lowest cost."

He said that while the total foreign content of the airframe and engines of McDonnell Douglas' MD-111 long-haul jetliner was just over 18 percent and of the medium-range MD-90 around 32 percent, any future models developed by the company were likely to have more than 50 percent non-U.S. content.

The three largest Japanese aerospace companies — Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd. and Fuji Heavy Industries Ltd. — are responsible for about 20 percent of the Boeing 777 airframe, including

the majority of the fuselage panels and doors, the wing center section, the wing-to-body attachments and parts of the wing ribs.

The Japanese firms are participating as program partners in the design and testing as well as manufacture of these portions of the airframe.

While Boeing has developed close ties with Japan, which is expected to need more than 600 jetliners worth \$60 billion over the next 15 years, McDonnell Douglas has concentrated on China, which is likely to emerge as the second largest aviation market in Asia. Boeing forecasts that China will

Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,874.00	10,456.40	+2.09
Singapore	Straits Times	2,460.36	2,350.87	+2.11
Sydney	All Ordinaries	2,202.60	2,178.50	+2.10
Tokyo	Nikkei 225	19,342.63	19,393.94	-0.26
Kuala Lumpur	Composite	1,104.45	1,086.91	+1.61
Bangkok	SET	N/A	1,448.91	
Seoul	Composite Stock	963.22	946.00	+0.76
Taipei	Weighted Price	5,733.91	5,763.89	-0.56
Manila	Composite	3,003.43	3,005.80	-0.07
Jakarta	Stock Index	N/A	543.76	
New Zealand	NZSE 40	2,217.54	2,241.40	-1.06
Bombay	National Index	N/A	1,963.05	

- China's retail sales climbed 22 percent year-on-year in January, to 119.2 billion yuan (\$13.7 billion), the Economic Information Daily reported.
- Salomon Brothers Inc. appointed Trevor Rowe to head its Asia Pacific and Australasian Investment Banking Group, which will handle non-Japanese Asian business from a Hong Kong base.
- Hong Kong's annual inflation rate fell to 6.2 percent in January, its lowest level for more than six years, but economists said the figure, which was down from 8.6 percent in December, was an aberration caused by a difference in timing of the Chinese Lunar New Year.
- South Korea's exports to the United States, Japan and the European Union dropped last year to 47.6 percent of South Korea's total exports, or \$39.11 billion, from 50.8 percent the year before, signaling a further shift in overseas markets from advanced to developing nations.
- The Maritime and Port Administration of South Korea said European and Japanese shipping companies would be able to compete on protected sea routes between Japan and South Korea starting in July; these routes are now restricted to 54 South Korean and two U.S. companies.
- Tioxide Group Ltd., a unit of Imperial Chemical Industries PLC, said it had sold on the Australian market its 44.6 percent holding in Westralian Sands Ltd. for £35 million (\$51.6 million).
- Akita Zinc Works, one of Japan's most efficient smelters, will have to cut production 5.3 percent in the first six months of the year starting April 1 because of poor industrial demand, industry sources said.
- Sumitomo Realty & Development Corp.'s unsecured long-term debt was downgraded to Ba-1 from Ba-2 by Moody's Investors Service Inc.
- Ho Chi Minh City's state companies are so troubled that only about 20 percent of the 102 operating there are profitable, according to a Department of Industry study cited by the Vietnam News Agency.

Compiled by Our Staff From Dispatches

TOKYO—Honda Motor Co. said Tuesday its third-quarter net profit fell 1.9 percent from a year earlier and fell 49.5 percent in the first nine months of its financial year, as the strong yen ate into operating margins.

The Japanese automaker earned 6.76 billion yen (\$65 million) in the October-December quarter, compared with 6.89 billion yen in the 1992 quarter. Honda's profit for the nine months was 16.1 billion yen, down from 31.9 billion yen.

The company predicted that its full-year profit would be down 55 percent from 1992.

Honda, the only Japanese automaker to sell more cars in the United States than in Japan, said a recovering U.S. market cushioned its earnings in the third quarter. Strong motorcycle sales in Asia

— and particularly in China — were another bright spot, the company said.

Still, sales in the quarter were down 2.8 percent, at 948 billion yen, and for the nine months were down 9.5 percent, at 2,823 billion yen.

Analysts have taken a pessimistic view of Honda's stock for the next six to 12 months. Continued currency volatility and escalating trade tensions with the United States could limit strength in Honda's U.S. sales, they said.

Also on Tuesday, Moody's Investors Service Inc. lowered its ratings on unsecured senior debt and commercial paper issued by another Japanese automaker, Nissan Motor Corp., to A-3 from A-2, citing continued pressure on earnings.

(AP, Bloomberg, AFP)

TNT to Spin Off Shipping Assets

Compiled by Our Staff From Dispatches

TOKYO — Japan's leading index of economic indicators stood at 36.4 percent in December, well below the key level of 50 for the eighth consecutive month, the Economic Planning Agency said Tuesday.

An index above 50 indicates economic expansion, while a figure below that represents economic contraction.

The index of coincident economic indicators, which was released simultaneously, stood at 25.0 in December, compared with 20.0 in November, for its third consecutive month below 50.

The country's production of vehicles fell 13.5 percent in January from a year earlier, to 772,858 units, the Japan Automobile Manufacturers' Association said Tuesday. It was the fifth consecutive annual decline.

JETS: Asian Ae

Continued from Page 13

"provide access to advanced technology, relatively high-paying jobs and entry into a highly educated industry," Mr. Albrecht said.

The two other major Western makers of jetliners, McDonnell Douglas Corp. of the United States and Europe's Airbus Industries, have similar subcontracting arrangements with a growing group of suppliers in Asia and elsewhere.

John Wolf, executive vice president of Douglas Aircraft Co., a unit of McDonnell Douglas, said that in an increasingly competitive aviation market, globalization of man-

Compiled by Our Staff From Dispatches

SYDNEY — TNT Ltd., a global transport company, said Tuesday it would sell most of its shipping assets through a 123 million Australian dollar (US\$88 million) public share offering next month.

TNT's high-speed ferry and bulk commodity operations, which are based in Australia, the United States and Britain, will be spun off into a publicly traded company called Holyman Ltd.

Holyman has set aside 216 million shares, or 35 percent of the company, for sale to TNT shareholders. Shares will go on sale for three weeks starting March 4. Holyman is scheduled to be listed on the Australian Stock Exchange on April 8.

TNT forecast that Holyman would post a net profit of about 12.9 million dollars in 1994 on revenue of 39.1 million dollars. Holyman will have about 8 million dollars of leasing debt.

Holyman is expected to pay a dividend of about 14 Australian cents a share in 1994, an indicated yield of 7 percent, TNT said.

TNT, once loaded down with debt, has sold more than 200 million dollars of noncore assets over the past year and plans to sell a further 160 million dollars of assets by mid-1995.

TNT said in September that it was trying to sell its shipping assets to raise cash and pay debts. After completion of the sale, TNT's ratio of net debt to equity will drop to 100 percent from 217 percent on June 30.

TNT is scheduled to post results for the first half of 1993 on Thursday, and analysts are expecting a profit of about 20 million dollars, compared with a loss of 9 million dollars a year earlier. It would be the company's first profit in more than three years.

A key factor is its 50 percent interest in Ansett Airlines, a domestic carrier that returned to profitability last year.

(Bloomberg, Reuters)

Shenzhen Exchange Suspends Trading

Reuters

HONG KONG — China's Shenzhen Stock Exchange suspended new listings Tuesday to halt a slide in prices that had sparked resentment among the nation's legion of small investors.

The exchange sent prices soaring on China's other market, in Shanghai, with a brief statement announcing the halt but giving no clues about how long it would last.

Shenzhen's market regulator, the Securities and Exchange Commission, said it had not been informed of the suspension.

Shenzhen "A" shares — stock reserved for Chinese citizens — have tumbled 40 percent since August because of tighter credit under China's austerity drive and fears that new listings would flood the market.

Locally, "A" shares closed only slightly higher after the statement. But in Shanghai they surged 1.9 percent on expectations among some investors that authorities there would follow suit.

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Continued from Page 13

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Boeing forecasts that China will

\$40 billion over the next 15 years. The value is one-third less than for Japan because China mainly needs small and medium-sized aircraft for its domestic services. Japan requires most of its new planes for international routes.

McDonnell Douglas has developed co-production arrangements with China since 1985 for its MD-80 and MD-90 aircraft.

Mr. Wolf said these and other partnership arrangements with Chinese aerospace companies have resulted in more than \$2 billion in sales of McDonnell Douglas planes and other products to China.

BEIJING — China Great Wall Industry Corp. signed a contract Tuesday to launch two broadcast satellites for EchoStar Satellite Corp. of the United States.

The satellites, made by Martin Marietta Corp., will be carried into orbit in late 1995 and mid-1996 by Great Wall's Long March 2E rocket from the the Xichang launch site in Sichuan Province. A Long March 2E was used in the aborted attempt to send the Australian Optus B-2 satellite into orbit in December 1992.

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

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SPORTS

Florida Stops Rival Florida St.

The Associated Press

With March approaching, No. 16 Florida is starting to draw comparisons to the 1986-87 Florida team, the only squad in school history to advance to the National Collegiate Athletic Association tournament's final 16.

But the Gators did something Monday in Gainesville, Florida, that no Florida team, not even that

COLLEGE BASKETBALL

'86-'87 team, had accomplished: It beat intransigent rival Florida State, 72-61, and improved to 22-4.

The 1986-87 team, which featured the current National Basketball Association player Vernon Maxwell, managed 21 regular-season victories, but was never ranked as high as the current squad.

"This is the best Florida team I've seen since Maxwell and (Andrew) Moten," said the Florida State coach, Pat Kennedy. "They are a legitimate team that should be ranked higher than they are."

For about one half, Florida State looked more like the nation's 16th-ranked team than Florida did. The unranked Seminoles (12-11) dictated the tempo and had a 36-34 lead at the half.

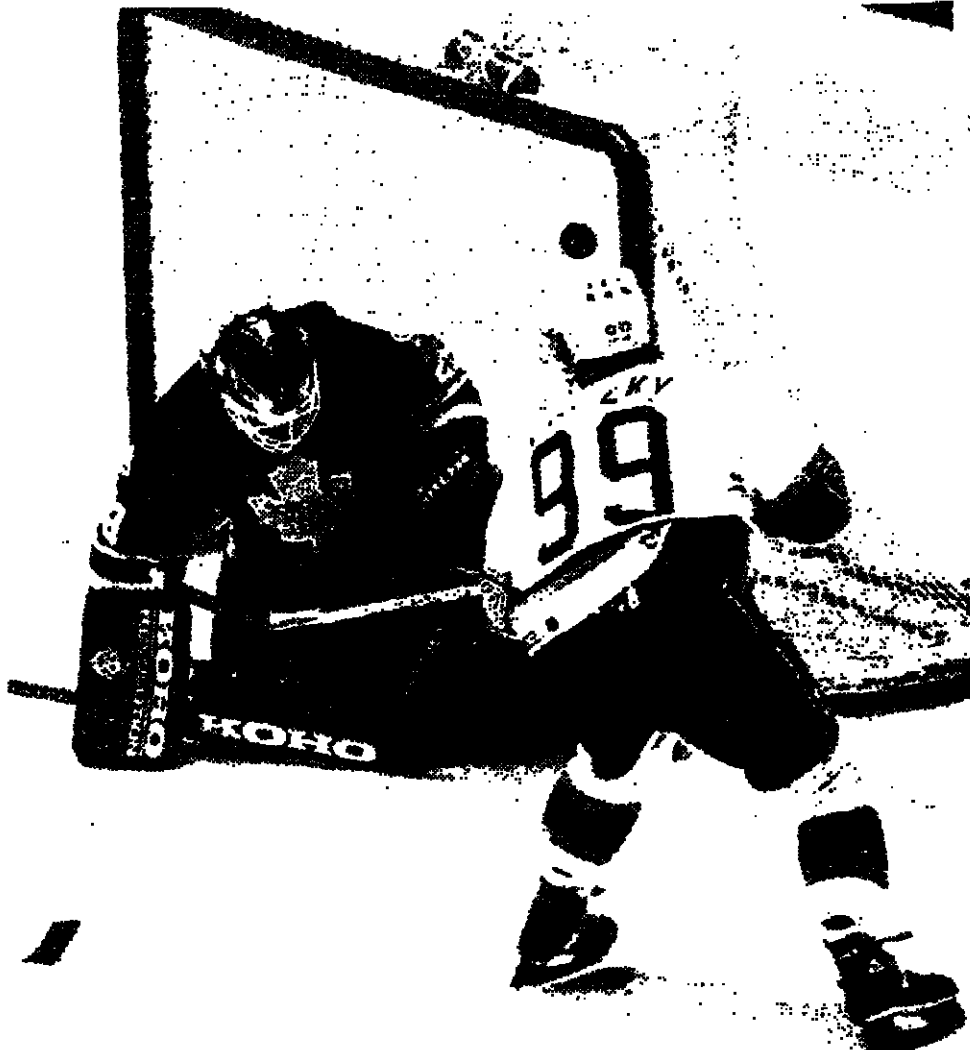
Just 19 seconds into the second half, Florida State's lead was gone, never to return.

Craig Brown's 3-pointer put the Gators in front 37-36 and ignited an 11-2 run that put the Gators ahead 45-38 with 16:48 left. Florida State pulled within two points twice in the next three minutes, but was a result of close-range shots by Bob Sura.

But Florida guard Dan Cross, who scored just four points in the first 34 minutes, sparked Florida's final run by hitting 10-of-11 free throws in the final six minutes.

No. 24 Oklahoma St. 73, Colorado St. 66; Oklahoma State used a 20-6 second-half run and cruised past the Buffaloes in Boulder, Colorado.

Bryant Reeves scored 17 points and Brooks Thompson added 15 to lead Oklahoma State (19-7, 8-3 Big Eight).



GRETSKY STRIKES AGAIN — Los Angeles's Wayne Gretzky flipping the puck past Toronto goalie Felix Potvin in a 6-4 NHL loss. Earlier, Gretzky signed a three-year, \$25.5 million contract.

SIDELINES

McDowell to Leave Chisox in 1995

SARASOTA, Florida (AP) — The day after losing his second arbitration case in three years, Jack McDowell, the Cy Young Award winner, said he wouldn't play for the Chicago White Sox in 1995.

"It's a guarantee. I won't be back next year," McDowell said Monday, adding that he knew he would leave the White Sox "as soon as we sit down at that arbitration table for the third year in a row." McDowell, 22-10 with a 3.37 earned run average for the American League West-winning White Sox last season, was awarded \$5.3 million for 1994 instead of the \$6.5 million he had requested.

McDowell, 28, has long believed that he deserved a long-term deal. He is 73-39 in the 1990s, making him the winningest pitcher in the majors during those four years. The right-hander has expressed a desire to be traded and said again Monday a trade would not bother him.

Ted Williams Hospitalized After Stroke

Compiled by Our Staff From Dispatches

GAINESVILLE, Florida — Ted Williams, the Hall of Fame outfielder, suffered a slight stroke at his home in Florida and was listed in fair condition Monday at a hospital, where he was being treated in the intensive care unit.

"He's conscious, clear-headed and talking," said Ralph Ives, a hospital spokesman. Ives could give no detailed account of Williams's condition, but said the former Boston Red Sox star was experiencing "some weakness on the left side." Another spokesman, Daniel Moore, said Williams was also having some difficulty seeing as a result of the stroke, which occurred Saturday.

"All his indicators are favorable for recovery," said Moore.

Williams, 75, also suffered a mild stroke two years ago and then underwent surgery on his neck to clear a blockage in a carotid artery. The procedure was designed to prevent future strokes.

Williams, voted into the Hall of Fame in his first year of eligibility in 1966, was the last major league baseball player to hit 400. He batted .406 in 1941.

(NYT, Reuters, AP)

They Dream of (Soccer) Genie

International Herald Tribune

LONDON — What is the main component to winning a World Cup? You and I might believe that talent is preeminent — and that organization, fitness, teamwork and money are secondary.

Saudi Arabia appears to think differently. In hiring and firing first a Brazilian, then a Dutchman to coach the national team during the past three months, Saudi Arabia's soccer lords (the royal family) seem convinced there is a genie out there who can turn beginners into world beaters.

Leo Beenhakker, the Dutchman hired on Nov. 22 and fired on Feb. 19, was described by the Saudi soccer federation as "not appropriate for Saudi players; under him the team stood little chance of winning the World Cup."

Saudi Arabia winning the thing? Alladin might rub the lamp. The Saudis did marvelously well to reach the finals. That achievement fulfills the dream, and possibly exhausts the potential of such a nation.

Ambition is not to be mocked. Prince Sultan bin Abdulaziz, vice president of the soccer federation, has every right to pledge in October, "Our team will not be guests of honor at the finals, like some past Asian countries."

Yes, sir. Go there with pride in nationhood, go as competitively as each man's skill and spirit allow. Go as far as you can, and rest assured that your American hosts are already grateful to Saudi Arabia for eliminating Iraq and Iran.

But when reality dawns, the Saudis must know there isn't a coach who can make up deficiencies in talent and experience.

That is why the Netherlands, a first round opponent of Saudi Arabia at the World Cup, has just welcomed back Ruud Gullit. Now there is a potential world beater, a performer who has honed his skills and awareness in the maelstrom of all leagues, the Italian first division.

Gullit swore never to play again under Coach Dick Advocaat. He felt humiliated by being substituted against England a year ago when he stayed from the restricted right-wing role that Advocaat asked of him.

BOTH MEN have changed. Advocaat has become a more relaxed and confident. Gullit has departed AC Milan, where his bruised pride inhibited expression. With another Italian club, Sampdoria, he has recaptured a rapacious, free-running, goal-scoring game that Advocaat would be mad to impinge upon.

Gullit, 31, is out there showing that he was wrong to presume that his desire and his fitness were gone. Had Beenhakker stayed with Saudi Arabia, it would have been intriguing to see how he might plot to stop Gullit, Frank Rijkaard, Ron Koeman and maybe Marco Van Basten.

In 1990, those players flopped — under Coach Beenhakker. For all his success in guiding Real Madrid to three consecutive Spanish titles, Beenhakker was never in control of the backing Dutch masters. A coach nonetheless proud of his motivational and teaching qualities, Beenhakker refuses that he tried to impress on the Saudis the complexities of Dutch "total football."

Rob Hughes is on the staff of The Times.

SCOREBOARD

BASKETBALL

NBA Standings

EASTERN CONFERENCE

Atlantic Division

Team	W	L	Pct	GB
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New York	30	16	.652	—
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Orlando	28	18	.609	2 1/2
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New Jersey	26	24	.520	5 1/2
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Miami	20	30	.400	12 1/2
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Boston	20	31	.392	16 1/2
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Philadelphia	20	32	.385	16 1/2
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Washington	14	38	.369	23 1/2
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Central Division

Atlanta	25	16	.610	—
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Chicago	25	16	.610	—
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Cleveland	27	14	.659	—
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Indiana	24	24	.500	—
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Charlotte	20	28	.417	12
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Memphis	15	37	.288	20 1/2
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Detroit	13	39	.250	23 1/2
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WESTERN CONFERENCE

Midwest Division

San Antonio	30	16	.652	—
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Chicago	28	18	.609	2 1/2
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Utah	26	24	.520	5 1/2
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Portland	24	26	.476	7 1/2
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Denver	22	28	.441	9 1/2
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Minnesota	20	30	.400	12 1/2
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Dallas	17	33	.340	15 1/2
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Seattle	10	40	.200	22 1/2
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Pacific Division

San Antonio	30	16	.652	—
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Phoenix	28	18	.609	2 1/2
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Golden State	26	24	.520	5 1/2
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Portland	24	26	.476	7 1/2
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LA Lakers	22	30	.424	9 1/2
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LA Clippers	17	35	.327	14 1/2
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Sacramento	17	34	.333	15 1/2
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MONDAY'S RESULTS

San Antonio	78	74	San Antonio	78	74
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Phoenix	102	95	Phoenix	102	95
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Golden State	102	95	Golden State	102	95
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Portland	102	95	Portland	102	95
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LA Lakers	102	95	LA Lakers	102	95
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LA Clippers	102	95	LA Clippers	102	95
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LA Lakers	102	95	LA Lakers	102	95
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LA Clippers	102	95	LA Clippers	102	95
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Portland	102	95	Portland	102	95
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LA Lakers	102	95	LA Lakers	102	95
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LA Clippers	102	95	LA Clippers	102	95
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Sacramento	102	95	Sacramento	102	95
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San Antonio	102	95	San Antonio	102	95
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Phoenix	102	95	Phoenix	102	95
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Golden State	102	95	Golden State	102	95
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Portland	102	95	Portland	102	95
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LA Lakers	102	95	LA Lakers	102	95
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LA Clippers	102	95	LA Clippers	102	95
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CENTRAL DIVISION

San Antonio	78	74	San Antonio	78	74
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Phoenix	102	95	Phoenix	102	95
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Golden State	102	95	Golden State	102	95
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Portland	102	95	Portland	102	95
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LA Lakers	102	95	LA Lakers	102	95
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LA Clippers	102	95	LA Clippers	102	95
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Sacramento	102	95	Sacramento	102	95
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San Antonio	102	95	San Antonio	102	95
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Phoenix	102	95	Phoenix	102	95
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Golden State	102	95	Golden State	102	95
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SPORTS WINTER OLYMPICS

Having a Plate and Eating It, Too? Only if Harding Wins the Gold

By Harvey Araton
New York Times Service

LILLEHAMMER — If Tonya Harding wins the gold, I promise to eat my plate, right down to the very last bite.

My ears have taken to sampling the biodegradable plates, made primarily of potato and corn starch, being used throughout Olympic venues. The plates, and accompanying cutlery, are produced by Lyckebj Biopak, a Swedish company working in conjunction with an

Austrian group to save the world from cardboard and plastic. It's a noble capitalist's environmental cause that's been embraced by journalists who can't stomach herring, or cross-country ski races, but need the scoop on local flavor.

Do I have an ethical responsibility to eat a plate before I write about it? If this is a trend before the week is up. Or, worse, running gates, as they say on those rigid slalom slopes.

The local businessman who obtained the Norwegian licensing and distribution rights to Biopak, Dag Samner, is eating up this free publicity, but even he refuses to consume a plate. Crews from CBS and CNN arrived at his office in Hamar recently, hoping he'd show down for the record-setting viewers in the States.

"They're not meant for eating, though nothing in that plate can be damaging to humans," he said. "But what if someone sees me eating a plate on TV, and tries to eat 200 of them? Of course they're going to get sick."

And he'd get sued.

Other than composting the plates and letting them naturally fertilize the earth, Samner said they could also be disposed of as food. Pigs are the target market. Journalists, Samner said, would find stunner mass-produced Norwegian charm by sampling a McSalmon sandwich at the local arches down by Lillehammer's Strandtorget Mall.

"But how can you write about the plate and not eat one?" one of my contemporaries asked, waving a white half-eaten starch special.

I told him that, while I might be persuaded to

try one with bacon and cheese, fried onions or nachos, there was no way I would eat one plain, unless — unless — Tonya Harding wins the gold medal, if something happened as unfathomable as that.

"You're on," he said. So there you are.

I am sure that's not going to happen, despite what's been reported by the hungry wolf pack covering the Harding circus. With the approach of the women's figure-skating competition that begins Wednesday and ends Friday, Harding was executing her trademark triple axels with stunning regularity, four in one practice. Her ankle seemed to be sore no more. Her amazing resolve was holding up.

Her American rival, Nancy Kerrigan, had been smiling too much, a bad sign, and, by the start of the week, was stumbling all over the

place. The French star, Surya Bonaly, was being chastised by officials for doing illegal back flips. The world champion from Ukraine, Oksana Baiul, just showed up this week, and what was that about?

Could Harding, if she executes her jumps, actually win? That'll be the day.

Despite a report of a Czech Olympic skating judge, who is not here but who claimed that Harding was tainted, most have said they would not penalize her, despite allegations of involvement in the attack on Kerrigan last month in Detroit. That's their job, to be fair. That's also a journalist's job, to report on what has either convicted Harding by publicity or called for her ouster on vague ethical charges to be brought by a glass-housed committee, upon which sits a confessed if pardoned felon.

Courtroom jurists must be interviewed for prejudicial thoughts that might influence a case. In this subjective, often petty sport, Harding was the equivalent of a social outcast before anyone knew her husband planned the Kerrigan attack. She was penalized a half-point by the judges in Detroit for a costume that was considered skimpy, cheap. American officials here reportedly have been treating her like dirt.

When the judges watch her perform, there will be no way for them to separate her from all they have heard, or decided for themselves. Only the threat of litigation has gotten Harding this far, but she can't sue the judges for lopping a point off her score, or just not appreciating her athleticism at the expense of artistry.

Fair or not, Harding can't win. They'll never let her.

Wednesday, Thursday TV Schedules, Events

Wednesday's Events
All times are GMT

Alpine Skiing — Men's giant slalom first run, 08:30; second run, 12:30.
Skiathlon — Women's 7.5 kilometers, 09:00; Men's 10 kilometers, 12:00.
Figure Skating — Women's technical program, 18:00.
Ice Hockey — Quarterfinals: Canada vs. Czech Republic, 14:00; Finland vs. United States, 15:30; Germany vs. Sweden, 18:30; Slovakia vs. Russia, 20:00. Nordic Combined — Team 90-meter ski jumping, 10:30.
Speed Skating — Women's 1,000 meters, 15:00.

Wednesday's TV
All times are local

EUROPE
Austria — ORF: 06:00-18:00, 20:15-22:00, 22:45-24:00.
Britain — BBC2: 14:15-15:50, 20:00-21:00, 23:15-23:55.
Bulgaria — BNT/Channel 1: 10:25-10:45, 10:15-10:45, 22:00-22:00, 23:00-23:00.
Croatia — HRT/TV2: 14:00-18:30, 23:05-00:05.
Cyprus — CYBC: 17:15-17:45, 20:30-21:00, 22:20-23:00.
Czech Republic — CTV: 09:15-17:30, 19:45-00:05.
Denmark — DR: 09:45-17:30, 18:55-19:25, 21:30-22:15.
Estonia — ET: 10:50-19:45, 21:45-00:30.
Finland — YLE/TV1: 10:15-16:00, TV2: 16:00-18:30, 19:00-19:30, 20:15-00:30.
France — FR2: 08:24-12:53, FR3: 13:04-15:00, 20:05-20:30, TF1: 20:50-22:50.
Germany — ZDF: 09:03-17:45, 19:25-23:00.
Greece — ET1: 08:30-09:00, 22:45-01:15, ET2: 14:15-15:15, 19:15-19:45.
Hungary — MTV/Channel 1: 13:17-15:58, Channel 2: 20:05-20:10, 22:50-01:30.
Iceland — RUV: 08:25-10:45, 12:25-14:45, 16:55-18:30, 19:15-19:45.
Italy — RAI2: 09:25-11:45, 01:05-02:00, RAI3: 12:55-14:00, 19:50-20:20.
Latvia — LRT: 10:55-12:45, 14:00-16:00, 21:30-21:50.
Lithuania — LRT: 10:55-12:45, 14:00-16:00, 21:30-21:50.
Luxembourg — CLT: Highlights on evening news, 19:00-20:00.
Macedonia — MKRTV/Channel 1: 08:25-10:30, 12:25-14:45, 15:25-16:00, 18:25-19:00, Channel 2: 08:25-10:45, 11:55-14:00, 14:55-16:30, 17:55-18:15, 18:25-22:30, Channel 3: 10:25-12:15, 13:25-16:30, 17:55-21:30, 22:00-23:00.
Monaco — TMC/TV1: 08:30-13:00, 13:30-18:25, 20:00-22:00, 23:00-23:30.
Netherlands — NOS: 09:00-17:54, 18:40-18:50, 20:00-23:45.
Norway — NRK: 09:00-17:50, 20:00-00:30, TV2: 18:45-20:30, 21:30-22:30.
Poland — TVP/PTV: 09:15-11:00, 20:15-20:40, 22:00-23:00, PR2: 11:05-15:00, 18:05-17:25, 19:05-20:00, 00:35-02:05.
Portugal — TV2: 23:00-23:20, RTP1: 11:00-11:20.
Romania — RTVR/Channel 1: 14:25-15:15, 19:15-19:45, 00:30-01:00, Channel 2: 15:55-18:30, 20:25-23:30.
Russia — RTD: 14:25-15:45, 18:25-21:00, 22:00-00:30, RTR: 15:15-19:45, 20:30-01:25.
Slovakia — STV/SK: 06:00-19:35.
Slovenia — RTVSLO: 09:05-18:45, 19:55-20:15, 23:55-23:55.
Spain — RTVE: 09:30-24:00, TV2: 14:45-16:00.
Sweden — SVT/TV2: 14:00-18:05, 17:45-19:15, 20:00-21:45, Channel 1: 09:15-11:30, 12:55-14:00, 16:05-17:45, 19:15-20:00, 21:45-24:00.
Switzerland — TSR/TSR/DRS: 08:30-15:00, S+1: 16:30-19:00, 19:30-22:00.
Turkey — TRT: 18:00-20:00, 20:30-23:00.
Ukraine — DTRU/UTV: 10:55-12:45, 13:35-16:00, 19:15-21:00, 21:30-22:45, 00:30-01:00.
European — 06:00-continuous coverage.

Thursday's Events
All times are GMT

Alpine Skiing — Women's giant slalom first run, 08:30; second run, 12:00. Cross Country Skiing — Women's 30-kilometer classical, 11:30. Freestyle Skiing — Aerials finals, 11:00.
Ice Hockey — Ninth place, Austria-France winner vs. Norway-Italy winner, 14:00; 11th place, Austria-France loser vs. Norway-Italy loser, 15:30; consolation, Canada-Czech Republic loser vs. Finland-United States loser, 18:30; Germany-Sweden loser vs. Slovakia-Russia loser, 20:00. Nordic Combined — Team 3x10-kilometer cross country, 09:00. Short Track Speed Skating — Women's 500 meters, 18:00; men's 500-meter relay qualifying, 18:00; men's 500-meter relay final, 19:00.

Thursday's TV
All times are local

EUROPE
Austria — ORF: 06:00-18:00, 20:15-21:00, 22:45-24:00.
Britain — BBC2: 14:15-15:50, 20:00-21:00, 23:15-23:55.
Bulgaria — BNT/Channel 1: 10:25-10:45, 10:15-10:45, 22:00-22:00, 23:00-23:00.
Croatia — HRT/TV2: 14:00-18:30, 23:05-00:05.
Cyprus — CYBC: 17:15-17:45, 20:30-21:00, 22:20-23:00.
Czech Republic — CTV: 09:15-17:30, 19:45-00:05.
Denmark — DR: 09:45-17:30, 18:55-19:25, 21:30-22:15.
Estonia — ET: 10:50-19:45, 21:45-00:30.
Finland — YLE/TV1: 10:15-16:00, TV2: 16:00-18:30, 19:00-19:30, 20:15-00:30.
France — FR2: 08:24-12:53, FR3: 13:04-15:00, 20:05-20:30, TF1: 20:50-22:50.
Germany — ZDF: 09:03-17:45, 19:25-23:00.
Greece — ET1: 08:30-09:00, 22:45-01:15, ET2: 14:15-15:15, 19:15-19:45.
Hungary — MTV/Channel 1: 13:17-15:58, Channel 2: 20:05-20:10, 22:50-01:30.
Iceland — RUV: 08:25-10:45, 12:25-14:45, 16:55-18:30, 19:15-19:45.
Italy — RAI2: 09:25-11:45, 01:05-02:00, RAI3: 12:55-14:00, 19:50-20:20.
Latvia — LRT: 10:55-12:45, 14:00-16:00, 21:30-21:50.
Lithuania — LRT: 10:55-12:45, 14:00-16:00, 21:30-21:50.
Luxembourg — CLT: Highlights on evening news, 19:00-20:00.
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Monaco — TMC/TV1: 08:30-13:00, 13:30-18:25, 20:00-22:00, 23:00-23:30.
Netherlands — NOS: 09:00-17:54, 18:40-18:50, 20:00-23:45.
Norway — NRK: 09:00-17:50, 20:00-00:30, TV2: 18:45-20:30, 21:30-22:30.
Poland — TVP/PTV: 09:15-11:00, 20:15-20:40, 22:00-23:00, PR2: 11:05-15:00, 18:05-17:25, 19:05-20:00, 00:35-02:05.
Portugal — TV2: 23:00-23:20, RTP1: 11:00-11:20.
Romania — RTVR/Channel 1: 14:25-15:15, 19:15-19:45, 00:30-01:00, Channel 2: 15:55-18:30, 20:25-23:30.
Russia — RTD: 14:25-15:45, 18:25-21:00, 22:00-00:30, RTR: 15:15-19:45, 20:30-01:25.
Slovakia — STV/SK: 06:00-19:35.
Slovenia — RTVSLO: 09:05-18:45, 19:55-20:15, 23:55-23:55.
Spain — RTVE: 09:30-24:00, TV2: 14:45-16:00.
Sweden — SVT/TV2: 14:00-18:05, 17:45-19:15, 20:00-21:45, Channel 1: 09:15-11:30, 12:55-14:00, 16:05-17:45, 19:15-20:00, 21:45-24:00.
Switzerland — TSR/TSR/DRS: 08:30-15:00, S+1: 16:30-19:00, 19:30-22:00.
Turkey — TRT: 18:00-20:00, 20:30-23:00.
Ukraine — DTRU/UTV: 10:55-12:45, 13:35-16:00, 19:15-21:00, 21:30-22:45, 00:30-01:00.
European — 06:00-continuous coverage.

ASIA/PACIFIC
All times are local

Australia — Channel 9: 20:30-01:00, New Zealand — TV1: 07:00-08:00, 21:30-24:00.
Japan — NHK: 22:00-24:00 (general); 12:30-15:00, 18:00-08:30 (satellite); 13:00-15:00, 18:00-22:00 (H-Vision).
Papua New Guinea — EMTV: 21:00-23:00.
China — CCTV: 19:30-20:30, 23:00-01:00.
Hong Kong — TVB: 24:00-01:00.
South Korea — KBS: 19:00-19:30, MBC: 14:30-17:30, 24:00-01:00.
Malaysia — TV3: 23:15-00:15.
Singapore — SBC/Channel 12: 24:00-01:00.
STAR TV/Prime Sports — 02:00-continuous coverage.

NORTH AMERICA
All times are EST

Canada — CTV: 06:30-18:00, 20:00-23:00.
United States — CBS: 07:00-09:00, 20:00-22:00, 03:07-01:37, TNT: 19:00-18:00.
Mexico — Televisa: 07:00-11:00, 17:00-19:00, 23:30-24:00.

IOC to Match Funds But Only for Sarajevo

Reuters

LILLEHAMMER — For the International Olympic Committee, charity apparently starts with Sarajevo. And stops there.

Norway's speed-skating star, Johann Olav Koss, who set three world records in winning three gold medals, said last week that he was donating a \$30,000 Olympic bonus to the charity organization Olympic Aid.

The IOC then said, or so it was understood by most, that it would match all charitable donations by athletes. But IOC officials said Tuesday that only \$6,000 of Koss's donation would be matched, because Olympic Aid splits its funds among Sarajevo, Afghanistan, Eritrea, Guatemala, and Beirut.

"It's the destination that counts," said the IOC's public relations director, Andrew Napier. "We will match what athletes give specifically to Sarajevo."

"Our understanding from the beginning was that the IOC would match the whole amount Koss and other athletes donate via us," said Svein Thorsnes, the campaign manager for Olympic Aid. "Now we don't know."

Sarajevo, the host city for the 1984 Winter Games, has been singled out by the IOC to show Olympic solidarity with the victims of the war in Bosnia.

Napier said that Koss had been inspired by the plight of Sarajevo and that, if Olympic Aid gave his entire donation to the Bosnian city, the IOC would also give \$30,000. But Audun Tjomsland, a spokesman for the Norwegian Olympic team, said Koss had not intended that his money go solely to Sarajevo.

"Johann was in Eritrea and was shocked by conditions there," Tjomsland said. "For him it's logical to give to the whole charity."

Olympic Aid's Thorsnes said the organization's statutes dictated that all donations be split equally.

Olympic Aid was set up in 1992 with a target of raising 94 million kroner (\$12.5 million), of which it now has about 52 million kroner. An estimated 10 million kroner has poured in since Koss's announcement.



Stephane Barin bringing down an Austrian player in France's victory — it all came down to a penalty shootout.

France Gets A Victory In Hockey

The Associated Press

LILLEHAMMER — France defeated Austria 4-1, in a penalty shootout Tuesday, giving the French their first victory in the Olympic ice hockey tournament.

It was only a consolation round game, however. France will now play Italy for ninth place, and the Austrians will play Norway for 11th.

The French, who outshot Italy in a game they lost, 7-3, finally had a break go their way when a video goal judge's ruling in the second period turned a 3-2 deficit into a 3-2 lead. But the Austrians twice tied the game in the third, sending it into overtime with the score tied, 4-4.

The video ruling came five minutes into the second period with the score at 2-2. Arnaud Briand shot a loose puck from the slot over the sprawled Austrian goaltender, Brian Stankiewicz. It appeared to hit the right post and bounce out.

Briand and some teammates lifted their arms in celebration, but play continued and 29 seconds later, at 5:35, Richard Nasheim completed a 2-on-1 break with Kenneth Strong to score for Austria.

The Italian referee, Ruggero Savaris, asked for the video replay, which is being used in the Olympics for the first time. The camera showed the puck hitting the right post, deflecting into the goal in the upper corner — and out.

Savaris took away Nasheim's goal and awarded one to Brian Stankiewicz. The Austrians tied it in the third, but the comeback came to nothing when Petr Vronsky stopped Strong and Nasheim on their penalty attempts while Frantisek Pajonk, Serge Poudrier, Pierre Pousse and Benoit LaPorte scored for France.

Italy 6, Norway 3: The game matched the worst offensive and defensive teams of the tournament. Italy had allowed 31 goals in the five preliminary-round games, while Norway had scored only five. This was the first time the games had scored more than two goals in one game.

Italy wasted no time taking the lead, scoring after 18 seconds when Gaetano Orlando knocked in a rebound of his own shot. Norway leveled the score at 7:22 on a slap shot by Peter Salsten from just inside the blue line. Italy regained the lead just 44 seconds later when Jimmy Camozzola deflected a shot by Orlando past Norwegian goalie Jim Mathiesen.

OLYMPIC NOTEBOOK

— Anita Wachter, the Austrian who is the leading giant slalom skier on the World Cup circuit this season, said Tuesday that she expected to race in that event Thursday after having been forced out of the combined competition by influenza.

"I feel a lot better. In a couple of days I should be fine," Wachter said.

— Norway's speed-skating coach, Hans Trygve Kristiansen, whose team has won three gold and two silver medals at these Games, announced that he was resigning.

"I've been coach for nine years," he said. "I think that's enough, don't you? I have no doubts. I achieved my main goal, I have succeeded and decided it's time to quit."

— Traffic jams prevented thousands of spectators from arriving in time for the start of the men's 4x10-kilometer cross-country relay, which Norway was favored to win.

Organizers estimated that as many as 100,000 people sought to cram themselves into the cross-country stadium — capacity 31,000 — and around the tracks for the event.

But, one official claimed: "It's not chaos, it's just a problem of the numbers."

— Viktor Petrenko, the 1992 Olympic champion who finished fourth in men's figure skating, will not go to the World Figure Skating Championships in Japan next month because of an agreement with the Ukrainian federation.

The country is allowed just one skater there, as it was in the Olympics, and that will be given to Viacheslav Zagrodnik. He was second at the European championships last month but did not compete at the Olympics because that spot was taken by Petrenko, the 1992 world

OLYMPIC SCOREBOARD

try relay, and that as sought to the cross-country 31,000 skis for the problem of "It's the 1992 to finished skating, will be Skating on next agreement. tion. and just one of the Olympic to be a was searshipships complete at 1992 world champion who then turned pro and was nominated for this season.

"I'm going home to Odessa to see my wife," Petrenko said.

● Riding the sweet swell of success, Lillehammer's mayor has proposed that the town apply to host the Winter Olympics again in the year 2010.

"This would be the best after-use of the Olympic arenas," Mayor Arne Solbak said as the deputy mayor, Odd Aundsen, nodded approval.

Should the International Olympic Committee decide to cut back on new bids, they offered Lillehammer as one of a select group of sites hosting future Games.

St. Moritz, Switzerland; Lake Placid, New York; and Innsbruck, Austria, have all hosted the Winter Games twice.

● Tickets to the sports events are selling well, but visitors to the Olympics are not as plentiful as expected for the 1994 committee: 100,000 to 150,000 to the theater at the events than the group, Heide, its performance central L poses and selected masks and try to differ, the sweater-shed.

● A child in Oslo, a white animal, hopes to be for coats.

The actors will appear Scandinavia

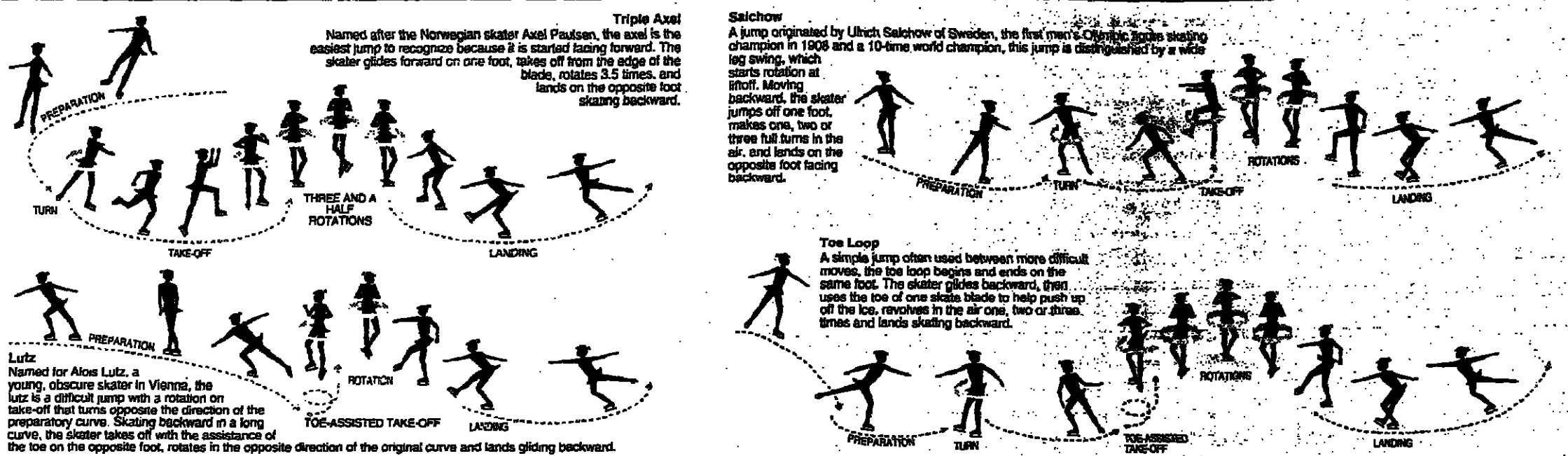
SPORTS WINTER OLYMPICS

Figure skating

The technical program, performed first, requires each skater to execute a total of eight specified steps such as jumps, jump combinations and various spins for the judge to appraise. This short program (approx. two minutes and forty seconds) counts one-third of the skater's overall score.

The freestyle program, which counts for two-thirds of the skater's overall score, calls for an innovative performance that requires a balanced number of jumps and spins, but because it is "freestyle," there is no stipulation as to which moves must be performed.

Sources: AP, The New York Times



Watching the Watchers: All Eyes Are on the Judges

New York Times Service

HAMAR — The nine judges will be under as much scrutiny as the skaters Wednesday night when the women's competition begins in Olympic figure skating.

Every decision by the judges will be debated, examined in detail, pored over for evidence of national bias or individual prejudice. The one burning question is this: Can Tonya Harding get a fair shake, given the tawdry, compelling events of the past five weeks following the attack on Nancy Kerrigan at the U.S. national championships?

"I think we have to judge what we see," said Jan Hoffman, the German judge.

The 27 skaters will be given two marks by each judge, one for technical merit and the other for artistic presentation. The short, or technical program, on Wednesday night accounts for one-third of the total score. Friday night's long program accounts for the rest and will determine the medals.

Olympic judges are selected from countries with the top 10 finishes at the previous world championships. Those 10 names are put into a hat, and nine are drawn to judge at the Olympics, while the 10th becomes an alternate. Generally, bias has been reduced in international judging since the end of the Cold War. For instance, the U.S. women won all three medals at the 1991 world championships in Munich and two of the three medals at the 1992 Olympics under an American judge on either panel.

The nine judges for this competition are Wendy Ullery of Britain, Jan Oleksiak of Poland, Jarmila Portova of Czechoslovakia, Alfred Korytek of Ukraine, Jiansheng Yang of China, Margaret Ann Wier of the United States, Noriko Shirota of Japan, Audrey Williams of Canada and Hoffman of Germany.

"Each judge has their own concerns," said Ben Wright, a former president of the U.S. Figure Skating Association and a prominent fixture on the international skating scene. "Problems of the United States are not of much importance to them. They haven't asked many questions. I'm glad, because I haven't had to explain the intricacies of American life."

Hoffman, an orthopedic surgeon, is the one championship skater on the panel. He won a silver medal at the 1980 Olympics in Lake Placid, New York, and was twice a world champion.

Olesiński is a former Polish national champion. Jiansheng, a doctor, is the first international judge ever from China. Shirota won a Japanese ice-dancing title in the mid-1960s. Wier, a real-estate executive, skated with her brother, Hugh Graham, a former president of the USFSA, in the pairs competition at the 1955 world championships.

The most curious choice on the panel is Korytek of Ukraine. He is the father of the former coach of Oksana Baiul, the 1993 world champion and a gold medal favorite at the Olympics.

"Our judges work with our skaters, too," said Claire Ferguson, president of the USFSA.

Judging the judges are two referees and a five-member technical committee of the International Skating Union. The placement of a skater only two spots from the majority of judges can result in a charge of bias.

"It's really going to come down to whether they hit the elements," Wright said of the skaters. "If they miss something, it's the kiss of death."

That goes both for the skaters and the judges.

— JERE LONGMAN



France's Surya Bonaly, more athletic than a classical skater, is a favorite.

In Women's Skating, The Drama Comes Down To 6 Minutes on the Ice

By Jere Longman
New York Times Service

HAMAR — After seven weeks of ceaseless speculation, of court-room drama and threatened lawsuits, of possible suspensions and last-minute relenting, after claustrophobic training sessions under searing pressure, Nancy Kerrigan and Tonya Harding have nothing left to do at the Olympics but skate.

It seemed as if this day might never come, the two of them together, skating for a gold medal, accountable for the moment to no one other than nine judges sitting at a table.

The past seven weeks will be distilled into six minutes at the Winter Games, two minutes in Wednesday's short program and four minutes more in Friday's long program. Any one of at least seven of the 27 competitors could win the gold medal, the favorites being Kerrigan, Harding, Oksana Baiul of Ukraine, Surya Bonaly of France, Chen Lu of China, Josée Chouinard of Canada and Yuka Sato of Japan. The field is wide open, which means that even Katarina Witt, the two-time gold medalist returning to Olympic competition after years as a professional, cannot be discounted.

The overwhelming focus, of course, will be on Kerrigan and Harding, chief rivals, drawn into uncomfortable proximity by a tawdry tale of hoodlums. Kerrigan was clubbed above the right knee on Jan. 6 at the U.S. national championships in Detroit, and four men have been charged. Among them was Harding's former husband, Jeff Gillooly, who has pleaded guilty to racketeering in connection with the plan to harm Kerrigan. Harding has not been charged. She has proclaimed her innocence, saying she learned only after the attack that several people close to her were involved.

The weeks since the attack have been anxious ones for both skaters. Kerrigan was an uncertain participant until her bruised knee had healed. Harding's presence here was not secured until the U.S. Olympic Committee, under threat of a \$25 million lawsuit and in danger of having the tidal wave of media interest drown every other story at these Games, canceled a disciplinary hearing that could have resulted in her removal from the team.

Still, the Kerrigan-Harding saga has dominated every other event at these Olympics. The successes of skaters like Tonya Moe and speed skaters like Bonnie Blair, Dan Jansen and Johann Olav Koss have been mere diversions. Harding-Kerrigan has more legs than a cent-

pode. Especially Wednesday. The largest television audience in Olympic history is expected.

Kerrigan and Harding have lived in the same dormitory, trained at the same time and now they seek the same outcome. In their first performance as finalist skaters — a gold medal. Kerrigan is determined to prove that she has recovered both from the knee-surgery in Detroit and a disastrous fifth-place finish at the 1993 world championships in Prague.

"She's not skating for her country, she's skating for her life," said Kerrigan's coach, Evi Scottvold. "She's not skating for her life, she's skating for her career."

Harding, who has not run through a clean release yet, is bothered by a sore ankle, apparently on one final adrenaline rush to carry her toward her Olympic dream. "I'm just trying to stay calm, she'll have a few weeks."

And how does Scottvold plan to keep her calm?

"I can't imagine stopping on the ice with that kind of pressure, either one of them," said Scottvold. "There's a lot of pressure on both of them. If either one pulls out a great performance, we should realize how tough it is."

If any kind of pattern can be discerned from the men's and pairs competition, the International Skating Union prefers a more traditional, classical style of skating to an athletic style. The women's champion has generally fit that mold, from Peggy Fleming to Dorothy Hamill to Witt to Katarina Witt.

That approach would seem to favor the elegance and completeness of Kerrigan and Baiul over the muscular jumping of Harding and Bonaly.

"The ISU has remained interested in the women's side remaining true to the artistry of the sport, to clean lines and classical skating," Wyllie said. "The classical skater generally wins."

"If Tonya skates to perfection and anyone else skates to perfection, Tonya loses, because her style is not the style they're looking for," said Anna Ribbons, a figure-skating expert from New York. "Tonya is athletic, not elegant and hybrid the way the judges like it. Everybody is looking for the next Sonja Henie."

Wednesday's two-minute short program consists of eight required elements, the most critical being a combination jump and a double Axel. There is an old saying in skating that you can't win a competition

with the short program, but you can definitely lose one. Brian Boitano fell on a triple Axel in the first 30 seconds of the men's competition and fell immediately out of medal contention. The idea at the end of the short program is to be among the top five skaters. In Friday's long program, these five will skate in the final group, for which the judges reserve their higher marks.

"Kerrigan may be the most reliable short-program skater among the women. However, she has not completed in nearly three months, having withdrawn from the national championships after the clubbing attack, and she has had problems with her nerves in previous years. Though she won a bronze medal the 1992 Olympics, she has never skated a clean long program."

"This has made her stronger and very determined," said Scottvold. "It's just stays calm, she'll have a few weeks."

And how does Scottvold plan to keep her calm?

"I know how to do that. I've made over more money than Nancy Kerrigan."

Kerrigan appears to be in a no-loss situation here. If she wins, it will be one of the great comeback stories and her gold medal will be worth an estimated \$10 million to \$15 million in tour appearances, endorsements and a movie deal. If she doesn't win a medal, she will be a signing martyr, apparently with voluminous endorsement possibilities still available.

Harding's commercial potential appears to be far less outside of touring. She is a troubled skater but vastly talented, the only woman other than Midori Ito of Japan to have performed a triple Axel, which requires three and a half airborne revolutions. She has balanced the athleticism of her short program with artistry and she remains a brilliant spinner.

"The technical skill of Harding is enormous," said Ben Wright, a former president of the U.S. Figure Skating Association and a prominent fixture in international skating circles. "She's so powerful. She tends to miss something in her program, though. It's all or nothing with her. When she misses an athletic element, there isn't much else."

Harding has always said that she skates better under pressure. There could hardly be more pressure in a skating event than there will be Wednesday night.

Key Contenders in a Closely Watched Competition

Oksana Baiul.
Age: 16.
Country: Ukraine.

Career: 1993 world champion. Music: Short program — "Swan Lake"; long program — Broadway show tunes.

Scouting Report: A beautiful, joyous skater who was the surprise winner of the 1993 world championship in Prague. Has struggled this season with her combination jumps. Could be the leader after the short program.

Surya Bonaly.
Age: 20.
Country: France.

Career: Four-time European champion, 1992 Olympics 5th place. Music: Short — "Rit City"; long — "The Four Seasons," Vivaldi.

Scouting Report: Has smoothed the rough edges in her artistic performance but remains more gymnastic than balletic. A superb jumper, the only woman to attempt a quadruple jump, which requires four revolutions.

Josée Chouinard.
Age: 24.
Country: Canada.

Career: 1993 world 9th place, 1992 world 5th place, 1992 Olympics 9th place. Music: Short — "La Fille Mal Gardée"; long — "An American in Paris."

Scouting Report: Bubbly, effervescent skater who has problems with consistency.

Tonya Harding.
Age: 23.
Country: United States.

Career: 1992 Olympics 4th place, 1994 and 1991 U.S. champion. Music: Short — "Much Ado About Nothing"; long — theme from "Jurassic Park."

Scouting Report: Has a solid short program with improved artistry, but can't afford a mistake skating in the eighth position, with all the serious contenders to follow.

Nancy Kerrigan.
Age: 24.
Country: United States.

Career: 1992 Olympics bronze medal, 1993 U.S. champion. Music: Short — "Desperate Love," original score by Mark Milliano; long — medley of Neil Diamond hits.

Scouting Report: Has the most complete short program, but has struggled with nerves and her triple lutz. Should be in gold-medal hunt after the short program.

Chen Lu.
Age: 17.
Country: China.

Career: 1992-93 world bronze medal; 1992 Olympics 6th place. Music: Short — "Clair de Lune"; long — "The Mission."

Scouting Report: Excellent lines, soft and elegant, but her skating lacks personality. Doesn't make many mistakes, so could be in medal hunt.

Yuka Sato.
Age: 20.
Country: Japan.

Career: 1993 world 4th place, 1992 Olympics 7th place. Music: Short — "The Railway Children"; long — Unavailable.

Scouting Report: As a skater, she is superior to many competitors as she glides almost silently across the ice. She is a fast, tight spinner, but is not an expert jumper.

Katarina Witt.
Age: 28.
Country: Germany.

Career: 1984 and 1988 Olympics champion. Music: Short — "Robin Hood"; long — "Where Have All The Flowers Gone?"

Scouting Report: Has an impressive short program. Returning to amateur ranks after six years as a professional. Has become a better jumper, but still lacks the jumping ability of the other contenders. Not a real medal hopeful unless others collapse.

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SPORTS WINTER OLYMPICS

Italians Stun Norway With Cross-Country Relay Victory

By William Drozdiak
Washington Post Service

LILLEHAMMER — In the biggest surprise of the Winter Games, Italy's cross-country ski team dethroned the gods of Norway's most hallowed national sport on Tuesday in a split-second finish to win the gold medal in the men's 4x10-kilometer relay race.

With 150,000 spectators cheering wildly, Silvio Fauser of Italy held off a furious challenge by Norway's five-time gold medalist, Bjorn Dahl, beating him by half a length. The upset dropped an eerie curtain of silence over the crowd, which had come to believe that their quarter of long-distance skiers was invincible.

The success of the Italians in a sport long considered a preserve of Nordic culture was attributed by many skiers to the benefits of sustained high-altitude training in the Dolomite mountains. But Maurizio De Zolt, 43, the leader of the team, who skied the first leg, said the classic Mediterranean diet may also have helped.

"We train hard, but we also believe in our special foods like pasta, risotto and good red wine," said De Zolt, who had finished behind the Norwegians to win two silver medals in previous Olympics. "It's difficult to say how many glasses I drink, and if I told you I would probably get in trouble."

Whatever the training secrets, the strong performances by the cross-country skiers, including the women's stars Manuela Di Centa and Stefania Belmondo, has already earned Italy to its best Olympics ever. Italy now ranks third, with 15 medals, behind Russia with 19 and Norway with 17.

While Fauser was hailed at the finish line as a conquering hero by a throng of well-wishers, including the Alpine skiing star Alberto Tomba, team members said the key to the victory was the remarkable run by De Zolt, a veteran policeman old enough to be the father of his teammates.

De Zolt said he would now fulfill a promise made several years ago to retire after winning the gold medal that had eluded him since he started competing in cross-country events at the age of 27.

"I thought it was getting too late, but now I can leave with peace of mind," he said.

Said Fauser: "Maurizio really deserves the largest share of the credit. He not only molded this team together but ran a terrific leg that got us off to the great start we needed to win the gold medal."

In last year's world championship relay in Falun, Sweden, De Zolt finished a minute off the pace set by Sture Svendsen, who led Norway to victory. But this time, De Zolt kept up with Svendsen so well that in the second leg, Marco Albarello was left with only a 10-second deficit.

"It was a very hard race for me, but I knew if

Germans Leap Past Japan to Win the 120-Meter Gold

Last Japanese Comes Up Short

By Ian Thomsen
International Herald Tribune

LILLEHAMMER — The German approached the Japanese a few moments before they were to jump off their edge of the earth. "Congratulations on winning the gold medal," the German, Jens Weissflog, said Tuesday.

Then Weissflog zipped down the track, his skis sounding to the Japanese like a sliding door being opened. The German disappeared over the hill and the noise from the people waiting for him at the bottom rose up and clobbered the Japanese. The longer a jumper stays airborne, the louder the noise. Weissflog had gone 135.5 meters (444 feet, 6 inches), the longest jump of the day.

But Masahiko Harada, as anchor of his large-hill jumping team, was in position to give Japan its third Winter Olympic gold medal ever. Japan held a 55.1-point lead going into the last jump, a practically unbeatable margin. Harada had won the world championship in 1993 on the normal hill, although lately he had been erratic, jumping just 40 meters in a training run here Sunday. When Weissflog offered his premature congratulations, Harada tried to wave him away like a bad spirit, but it was too late. He had already heard the words.

Impulsively, it seemed, he pushed himself off of the bench and rode his skis in a crouch down the track and launched himself over the hill. Now Espen Bredesen of Norway was the only jumper remaining on the mountain, and the noise carrying up from Harada's leap was surprisingly blurt. Then Bredesen threw himself off of the mountain in the most disciplined way he could, and the last bit of momentum from his landing carried him past the Japanese, who was crouching on his skis, knees against his chest, his gloved hands covering his goggles in shame.

Harada had jumped only 97.5 meters. Among the top eight teams, it was the worst jump of the day, and it allowed Germany to overcome that enormous deficit. The result: Germany was first with 970.1 points, Japan was second at 956.9, with Austria third at 918.9. Only Harada's hands responded, moving from his goggles to his helmeted ears.

The noise was not what it might have been. It came mostly from the Germans, who were celebrating Weissflog's third Olympic gold medal, to go with individual large-hill victories in 1984 in Sarajevo and last Sunday here. The Japanese were mostly taking in the sight of Harada and the Norwegians had nothing. A few hours after having lost the cross-country 4x10-kilometer relay by a fraction of a second, they were now settling for fourth here, 20.1 points behind Austria.

"What went wrong with the Japanese is that on the last jump he was desperate to maintain his lead," Weissflog said. "He probably was under pressure because of the distance I had jumped. On my jump, I was much more quiet than on my first jump, because the gold medal was gone and I knew that 60 points were not going to be made up. I was not expecting to win the gold medal."

His incident with Harada had not yet been revealed when Weissflog, 29, gave this interview. One more victory Friday in the small-hill individual competition will allow him to match the four ski-jumping golds that Matti Nykanen of Finland won in 1984 and '88.

"Perhaps I was thinking too much about the gold medal," Harada said. "Maybe I was too conservative. Maybe I wanted it too much."

The Japanese were favored as the day began, but the best jump thus far from Weissflog pushed the four-man German team in front of Japan, 486.8 to 486.0, at the end of the first round. Impressive performances from Jin-ya Nishikata and Takanobu Okabe — 135 and 133 meters — gave Japan a lead of 66.5 points over Germany with two jumps for each team remaining.

At that point Norway had moved past Austria into third place. The lead vanished when Roar Ljøkelsøy, a 17-year-old Norwegian, responded with a jump of 99.5 meters. Smiling shyly afterwards, he admitted that he had leaped too far forward on his takeoff.

"I wanted it too much," he said.

"For him it will not be a problem," said the team manager, Trond Johan Pedersen. "Why should it be a problem? It's only a jump."

It was a beautiful day, and Bredesen, who had been beaten by Weissflog on the same hill Sunday, said he was trying to enjoy it. The arena overlooks the frozen lake, and the snow was like a soft cloth over the tiny buildings. The bright sun was without color compared to the orange Olympic flame burning at the stadium edge. From the mountainside, the valley opens up and the bottom of the jump was surrounded like an aura by the tens of thousands of spectators waving handfuls of flags. Each time they applauded, with gloved hands, it sounded like a flock of doves taking off.

These were Bredesen's surroundings as he set off on his final attempt. There was a slight chance of Norway snatching the bronze medal, but his jump of 131.6 meters was not good enough. At the bottom he grimaced, slapping at the snow. Then he saw Harada, and perhaps it reminded him of his 17-year-old teammate, who had also wanted it too much.

"I thought Harada would pull it off, but you can't congratulate a guy before he's jumped," Bredesen said. "You should not make comments about that."

"Was it a psych job, or do you think Weissflog was really congratulating him?" he was asked.

He did not answer the question exactly. He said: "No, I think you should wait until a guy finishes. That's not the way to do it."

The Germans celebrated, and Harada's Japanese teammates picked him up and convinced a smile out of him, because a silver medal is not so bad. Their emotional surroundings dissipated as the Norwegians marched away quietly, in the tens of thousands, but not sullenly. It was still only a ski jump.

Later Start for Alpine

The Associated Press

HAFJELL — The start of the men's giant slalom Alpine competition on Wednesday has been pushed back half an hour to give competitors more consistent lighting conditions during the race, Olympics organizers said on Tuesday night.

The first leg of the men's giant slalom will start at 0900 GMT, with the second leg due to begin at 1400, the organizers said.



Silvio Fauser of Italy lunging across the finish line a half length ahead of Bjorn Dahl to win the gold medal in the 4x10-kilometer relay on Tuesday, dethroning the Norwegian team.

I ran well the others would not have to worry about catching up," De Zolt said.

Albarello, who won the bronze in the individual 10-kilometer race, behind Dahl and Alexander Smirnov of Kazakhstan, gradually made up the difference against Norway's three-time gold medalists, including Vegard Ulvang. One of the country's most revered athletes, Ulvang has suffered in these Games from a leg injury and the disappearance last year of his brother Ketil, who has not been seen since he went running in a blizzard.

The first two legs of the event were held in the classic style, in which the skiers pump and push themselves along tracks in the snow. The last two legs used the freestyle technique, in which the skiers glide like skaters.

In the third leg, Giorgio Vanzetta said his goal was to stay abreast of Thomas Alsgaard, 22, who emerged as Norway's latest hero by winning the gold in the 30-kilometer race last week.

"He ran away very fast but I caught him on the hill," said Vanzetta. "I just needed to keep even with him and set up Silvio for the final leg."

The showdown between Fauser and Dahl turned out to be one of the great races in recent Olympic history. The duo broke away from Finland's Jari Isometsa early to set up their head-to-head duel down the homestretch.

"My strategy was to stick close to Dahlie to

the end, then sprint home after the final turn," Fauser said. "I knew it would be a close race that could be decided in the flick of an eyelid."

Going into the final uphill run, the two racers exchanged glances as Dahlie slowed down, almost inviting Fauser to take the lead.

"I wanted to enter the sprint on his tail and overtake him in the stretch," Dahlie said. "But it was not so easy as I thought."

Fauser expressed surprise that Dahlie let him take the inside position and exploited the opportunity with one of his renowned finishing kicks. "My strategy worked perfectly," he said. "I knew that if I could enter the last turn ahead I could pour it on and beat Bjorn in the last 100 meters."

Fauser crossed the finish line 4 seconds ahead of Dahlie for a winning time of 1 hour, 41 minutes, 15.0 seconds. Finland finished a minute later to take the bronze.

"It was great to be able to win the gold medal on their home turf, the temple of cross-country skiing," Albarello said. "For three years they have been the strongest in the world. The biggest satisfaction was to come into the stadium and hear the crowd so silent. We were able to shut them up."

The defeat prevented Dahlie from tying the Russian cross-country skier Lyubov Egorova and the Soviet speedskater Lydia Skoblikova as the only six-time Winter Olympic champions. He will get another chance on Sunday in the 50-kilometer classical marathon, the final men's cross-country event.

Dahlie said he would have preferred to run the third leg and let Alsgaard do the anchor. But their coach believed that the younger skier would not be able to cope with the tension of the stretch run.

"I think we disappointed four million Norwegians today," Dahlie said. "Maybe some of them broke their televisions. But we offered them good entertainment. I think it was a good promotion for the sport of cross-country skiing."



Masahiko Harada, having fallen short for Japan, could not hide his disappointment.

Fax a Note to Oden: There's Trouble in Valhalla

Washington Post Service

LILLEHAMMER — Norway had won 16 gold medals through Monday, of which its male Olympians had accounted for 13. Its female Olympians 3. And the Norwegian women don't like the second-class treatment they think they have received from the Norwegian press.

"We wish to thank our supporters amongst the athletic community and the public," Anita Moen and Trude Dybdahl said on behalf of their team after it came in second to the Russians in the 4x5-kilometer relay race. "We do not thank the press corps. You have lost touch

with reality and expect nothing but gold."

"We would like to feel that the press has faith in us, too," said Dybdahl. "It doesn't make it any easier for us when you predict that we have no future."

When the Vikings ruled Norway, women were a disposable commodity, tossed live into the flames of a leader's funeral pyre to give Eric or Olaf company on his way to Valhalla. But Norway today is not a country where women are taken lightly. The prime minister is a woman, as are eight of the other 18 top government officials.

Just Living for the Relay: Or, Can 200,000 Norwegians Be Wrong?

By Christopher Clarey

New York Times Service

LILLEHAMMER — Dawn was 15 minutes away and Kjell Odegard was whispering in the dark.

"I heard on the radio that the tracks are getting full," he said to an American. "You probably think this is crazy."

Norwegians have not hesitated to express their enthusiasm since these Winter Olympics began 10 days ago. They have crowded onto the slopes at Kvitfjell, raised a racket in the Viking Ship speed-skating arena and sold out the ski jumping stadium. But this was the day the nation had really been waiting for, the day of the men's 4x10-kilometer cross-country relay.

Last year, the Lillehammer Olympic Organizing Committee mailed a ticket-order form to every Norwegian household. LOOC finally stopped counting orders for the men's relay after they hit 200,000. Why bother counting higher when there are only 31,000 seats in the stadium?

"This is the race for the Norwegians," said Odegard, who asked for relay tickets and received only a form letter in return.

Tickets are only for those who require concession stands and a view of the finish line. The bulk of a cross-country race takes place on the tracks that extend outside the stadium, and that is where Odegard and about 70,000 other Norwegians were headed on this cold and clear morning.

Odegard has lived in Lillehammer since 1984, but for the Olympics, he and Siri Moen rented their home to a company from Oslo and took their three children south to Gjøvik, where they are staying with Moen's mother in a comfortable house with a spectacular view of Lake Mjøsa.

Well before the sun rose over the lake this morning, three generations of cross-country fans already were gathered in the dining room. Norwegian breakfasts are usually copious, and this one was no exception: goat cheese, shrimp salad, hard-boiled eggs, slices of ham and rolls with fresh strawberry jam.

Food was not the primary topic, however.

"For Norwegians, these Olympics are like Christmas every day," said Odegard, a 37-year-old who once played Division I soccer in Oslo and now works as a social services coordi-

nator in the Lillehammer region. "We have been talking about them and planning for them for five years. Now, we are finally getting the chance to enjoy them."

Tuesday, it was time to enjoy the relay. "I am so nervous about this race," said Moen, a 38-year-old who has passed her red hair onto her children.

Only two members of the household would not be going to Lillehammer: Hedda, their 2-year-old daughter, for whom the weather has been judged too cold, and Moen's mother, who would stay home to baby-sit.

By 7:45 A.M., the rest of the extended family had piled into two cars and headed north. By 9 A.M., they had stopped on a narrow road about two and a half miles from the race site, unloaded their backpacks, Norwegian flags and heavy sweaters, and set off on cross-country ski.

Odegard and Moen, like many Lillehammer residents, are serious recreational skiers, and their two eldest children, Ida, 9, and Ulrik, 6, looked well on their way to emulating their parents as they negotiated the trail leading toward the course.

"We started them both at about 3," Moen

said. "Hedda will have skis of her own by next year. She probably will go about two meters and say, 'No more,' but she will learn."

The trail quickly fed into another, wider and more crowded than the first. As sunlight streamed through the snow-coated evergreens, the heavy air rang with the sound of poles meeting hard-packed snow. A woman skied by with her cocker spaniel on a leash. Behind her was a middle-aged man who had tied a rope around his waist so he could tow his young son.

Soon, there were dog sleds led by teams of huskies, a group of youngsters dressed like trolls and hundreds of eager skiers pushing onto the same narrow tracks.

"I knew there would be a lot of people, but even I am a little bit surprised at how many," Odegard said. "I have never seen anything like this."

Why do Norwegians live for the relay? "It is the most unpredictable race," Moen said. "And because the teams start at the same time and go against each other, it is also the most exciting."

Inside the stadium, there are huge television screens and scoreboards to keep the paying

public abreast of developments. Outside the stadium, there are only portable radios and the word of mouth. Actual sightings of skiers are rare. After rising before dawn, driving for one hour and skiing for another, Odegard and his family would get exactly eight very fleeting glimpses of their Norwegian heroes as they charged around the course.

But the lack of contact did nothing to lessen the anticipation, and as Norway's Bjorn Dahl and Italy's Silvio Fauser duelled for the gold on the relay's final leg, the fans on the outside formed tight, nervous circles around their radios.

"Bjorn has him by a second," said Moen.

"The Italian has the lead," came another voice.

"Hah, heart attack," said Moen, patting herself on the chest and grinning.

But suddenly the grin was gone and a soft groan went up across the course. The Italian had won by the smallest of margins.

"Popped us like a balloon," said Moen, shaking her head. "But our skiers have done a lot for us, so we really can't complain. We have to lose sometime, or else it is no fun to win."

South Korea Wins Both Gold Medals In Short-Track Speed-Skating Races

Compiled by Our Staff From Dispatches

HAMAR — South Korea swept the gold medals Tuesday in the first two short-track speed-skating races. Kim Ki Hoon defended his title in the men's 1,000-meter race, then South Korea skated to gold in the women's 3,000-meter relay in Olympic record time.

Kim, who won his country's first Winter Olympics gold medal in 1992, took advantage of a fall by Canadian Derrick Campbell in the final.

Campbell led from the start of the nine-lap race, but lost his balance fighting for the lead with Britain's Nicholas Gooch in a turn with three laps remaining.

When Campbell slid into the padded wall, Kim slipped past Gooch, who finished second but was disqualified after judges reviewed his bumping with Campbell. Campbell didn't finish, and South Korea's Chae Ji Hoon was awarded the silver.

With two of the four finalists out of contention, the bronze went to Canadian Marc Gagnon, even though he didn't skate in the final. Gagnon, the 1993 world champion in

the event, fell in the semifinals, then won his consolation heat.

Kim won in 1 minute, 34.57 seconds, well off the world record of 1:28.47 set by New Zealand's Michael McMillen April 4, 1992. McMillen was eliminated in a qualifying heat.

Kim also was short of the Olympic mark of 1:29.58, set in Tuesday's quarterfinals by his teammate, Lee Jun Ho.

The South Korean women's relay quartet won in 4 minutes, 26.64 seconds, breaking the Olympic mark of 4:26.94 set by Canada in Tuesday's semifinals.

China finished second, but was disqualified for reasons not immediately specified. Five-time defending world champion Canada won the silver in 4:32.04.

The United States, silver medalist in 1992, took the bronze despite finishing fourth in the four-team finals in 4:39.34. The Americans were set back when Nicole Ziegelmeyer sprang to the ice in a turn.

The U.S. women were given a spot in the Olympic relay just two weeks ago when North Korea, Japan and

Australia decided not to send teams. The Americans had been disqualified when Karen Cashman, the lone newcomer from the 1992 silver medal team, fell in the world championships.

Short-track speedskating was a demonstration sport at the 1988 Games, and awarded medals for the first time in 1992. The men's 1,000 and the women's 3,000-meter relay Tuesday were the first two of six events.

Eric Flaim of the United States, the 1988 Olympic long-track silver medalist who switched to a short-track last year, was eliminated in the 1,000 quarterfinals. He was passed in the final turn of the nine-lap race and finished third, just .06 seconds out of second place.

All four skaters in the heat beat the old Olympic record of 1:30.76, set by Kim, while Flaim broke the U.S. mark. "You know you broke the American record," someone said to him after the race.

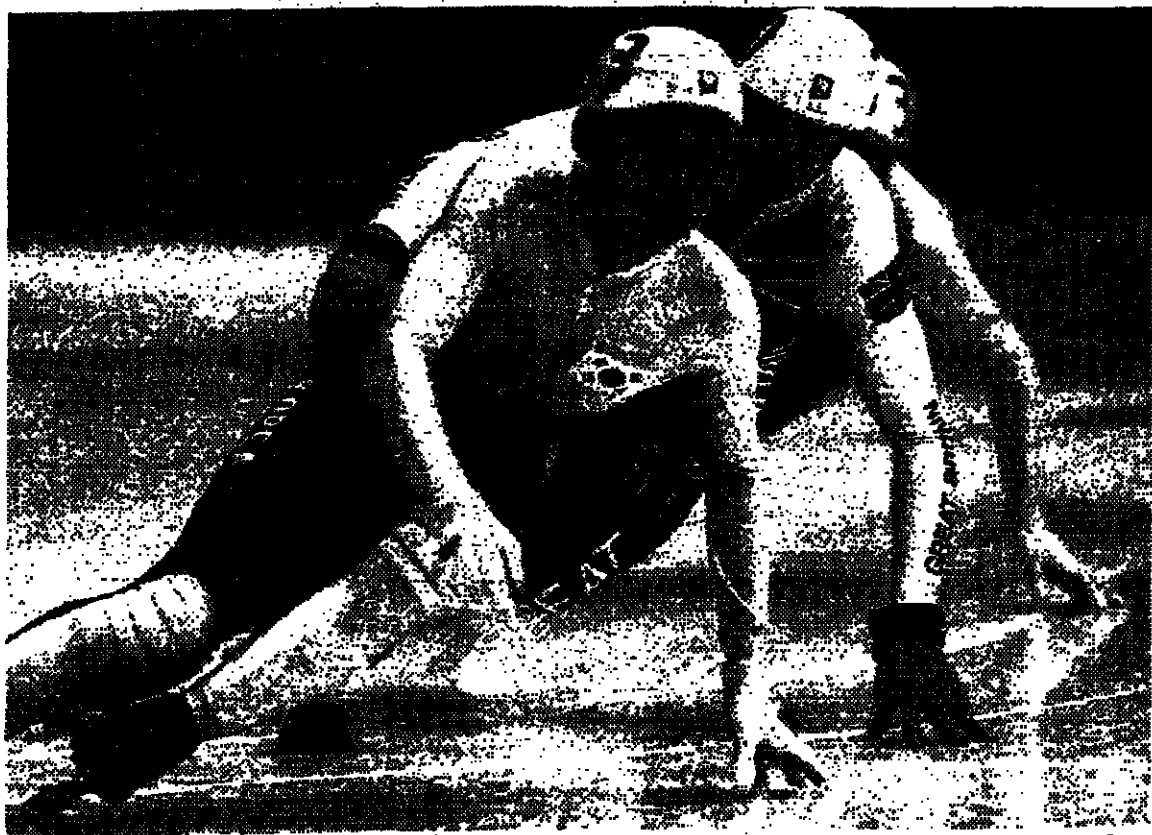
"Yeah," he said, nodding his head.

"How much did you break it by?"

"By a lot," he said.

"That's a consolation, isn't it?"

"Not much."



Kim Ki Hoon of South Korea pulling ahead of Britain's Nicholas Gooch to defend his title in the 1,000-meter race.

Moscow Music Market

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